

# GAT ICO-FTVPO 1, FTH

RMBS/Prime/ Spain

## Closing Date

19 June 2009

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## Definitive Ratings

Series	Rating	Amount (million)	% of Asset pool	Legal Final Maturity	Coupon	Subordi- nation* <sup>Ω</sup>	Reserve fund <sup>Ω</sup>	Total Credit	
								Enhance- ment** <sup>Ω</sup>	
AG	<b>Aaa</b>	€331.6	92.65	Jun 36	3mEur +0.5%	7.35%	3.24%	10.59%	
B(CA)	<b>A2</b>	€9.8	2.74	Jun 36	3mEur +0.8%	1.60%	3.11%	4.71%	
B(CM)	<b>A2</b>	€3.3	0.92	Jun 36	3mEur +0.8%	3.40%	3.78%	7.18%	
B(CP)	<b>A2</b>	€2.7	0.75	Jun 36	3mEur +0.8%	2.70%	2.93%	5.63%	
B(CT)	<b>A2</b>	€2.0	0.56	Jun 36	3mEur +0.8%	3.50%	3.43%	6.93%	
C(CA)	<b>Ba2</b>	€3.2	0.89	Jun 36	3mEur +2.0%	0.00%	3.11%	3.11%	
C(CM)	<b>Ba2</b>	€2.3	0.64	Jun 36	3mEur +2.0%	0.00%	3.78%	3.78%	
C(CP)	<b>Ba2</b>	€1.5	0.42	Jun 36	3mEur +2.0%	0.00%	2.93%	2.93%	
C(CT)	<b>Ba2</b>	€1.5	0.42	Jun 36	3mEur +2.0%	0.00%	3.43%	3.43%	
Total		€357.9	100.00						
D(CA)	<b>C</b>	€6.1	1.70	Jun 36	3mEur +5.0%	0.00%	0.0%	0.00%	
D(CM)	<b>C</b>	€2.5	0.70	Jun 36	3mEur +5.0%	0.00%	0.0%	0.00%	
D(CP)	<b>C</b>	€1.6	0.45	Jun 36	3mEur +5.0%	0.00%	0.0%	0.00%	
D(CT)	<b>C</b>	€1.4	0.39	Jun 36	3mEur +5.0%	0.00%	0.0%	0.00%	
Total		€369.5	103.24						

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 for classes A, B and C and for ultimate payment of interest and principal at par on or before the rated final legal maturity date for Class D. 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.

<sup>Ω</sup> these percentages are based on the balance of each sub-pool, to which this note/RF belongs, not the aggregate asset pool. Except for Aaa for which the calculations are weighted average of all four sub-pools

\* At close

\*\* No benefit attributed to excess spread

Vscore for the sector:	Medium
Vscore for the subject transaction:	Medium/High

The subject transaction is cash securitisation of VPO loans extended to obligors located in Spain. The portfolio consists of mortgage loans secured by residential properties.

## Asset Summary (Provisional aggregate pool)

Seller(s)/Originator(s):	Caixa Catalunya (A3/P-2), Caixa Manresa (Baa1/P-2), Caixa Penedes (NR), Caixa Terrassa (Baa2/P-2)
Servicer(s):	Caixa Catalunya (A3/P-2), Caixa Manresa (Baa1/P-2), Caixa Penedes (NR), Caixa Terrassa (Baa2/P-2)
Receivables:	Four mortgage pools comprised of first-lien conforming mortgage loans to individuals secured by property located in Spain
Methodology Used:	Moody's Updated Methodology for rating Spanish Government Sponsored Housing (VPO) RMBS, January 2009 and "Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows) January 2004"
Model Used:	MILAN (Spanish settings), MARCO & ABSROM
Total Amount:	€454,771,762
Length of Revolving Period:	Static transaction
Number of Borrowers:	9,145
Borrower concentration:	Top 20 borrowers make up 0.23% of the pool
WA Remaining Term:	15.08 years
WA Seasoning:	5 years



## Asset Summary (Continued)

Interest Basis:	100% floating rate
WA Original LTV:	76.04%
WA Current LTV:	60.12%
Borrower credit profile:	Prime borrowers
Moody's calculated WA indexed LTV:	56.17%
Delinquency Status:	No loan more than 30 days in arrears at the time of securitisation

## Liabilities, Credit Enhancement and Liquidity

Excess Spread at closing:	1.00% annualised spread guaranteed via swap at closing
Credit Enhancement/Reserves:	Excess spread Amortising reserve funds Subordination of the notes Guaranteed Investment Contract (GIC) account earning one-month Euribor Guarantee of ICO (Aaa/P-1) for the series A(G)*
Liquidity Deposit:	€4,100,000 deposited in P-1 account, available to advance the principal subsidised part of the instalments
Hedging Arrangements:	Interest Rate Swap to cover interest rate risk and guaranteeing 100 bpa
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	20 March, 20 June, 20 September, 20 December First payment date: 21 September 2009

\* The ratings assigned to the notes are without considering the benefit of the ICO guarantee

## Counterparties

Issuer:	GAT ICO-FTVPO 1, FTH
Sellers/Originators:	Caixa Catalunya (A3/P-2), Caixa Manresa (Baa1/P-2), Caixa Penedes (NR), Caixa Terrassa (Baa2/P-2)
Contractual Primary Servicer(s):	Caixa Catalunya (A3/P-2), Caixa Manresa (Baa1/P-2), Caixa Penedes (NR), Caixa Terrassa (Baa2/P-2)
Contractual Special Servicer(s):	NA
Sub-Servicer(s):	NA
Back-up Primary Servicer(s):	NA
Back-up Special Servicer(s):	NA
Back-up Servicer Facilitator:	NA
Cash Manager:	Gestión de Activos Titulizados S.G.F.T; S.A (N.R)
Back-up Cash Manager:	NA
Swap Counterparty:	Confederación Española de Cajas de Ahorros ("CECA") (Aa2/P-1 on review for possible downgrade)
Issuer Account Bank:	Banco Sabadell (A2/P-1)
Collection Account Bank:	Banco Sabadell (A2/P-1)
Paying Agent:	Banco Sabadell (A2/P-1)
Note Trustee (Management Company):	Gestión de Activos Titulizados S.G.F.T; S.A (N.R)
Issuer Administrator/Corporate Service Provider:	Gestión de Activos Titulizados S.G.F.T; S.A (N.R)
Arranger:	CALYON
Lead Managers:	CALYON, Caixa Catalunya, Caixa Manresa, Caixa Penedes, Caixa Terrassa

## Moody's View

**Outlook for the Sector:** Negative

**Unique Feature:** There are four sub-pools supporting respective sets of subordinated notes, whereas Class A is supported by all four sub-pools. This makes principal allocation more complex. The pool is cross-collateralised for Series A by using compensatory interest and principal payments, which allow cash flow to be used from one sub-pool to make up interest or a principal shortfall in another sub-pool.

**Degree of Linkage to Originator:** Originators will act as servicers (a back-up servicer will be appointed for a sub pool if the corresponding originator is downgraded below Baa3, or BBB by Fitch for Caixa Penedes).

**Originator's Securitisation History:**

# of Precedent Transactions in Sector: 0 for these originators (debut transaction by type of asset – VPO loans)  
 % of VPO Book Securitised: 25% Caixa Catalunya, 25.9% Caixa Manresa and Caixa Penedes  
 Behaviour of Precedent Transactions: No securitisation experience for these originators for this type of asset (VPO). However, they all have proven experience in the securitisation market for other types of asset.  
 Key Differences between Subject and Precedent Transactions: NA

**Portfolio Relative Performance:**

Expected Loss/Ranking: 1.3% in line with peer group. Comparison on EL can be found in 'Benchmark Analysis'  
 Milan Aaa CE/Ranking: 5.3% below peer group. Comparison on Milan Aaa CE can be found in 'Benchmark Analysis'  
 Weighted average Aaa stress rate for house price: 24.7%

**Potential Rating Sensitivity:**

Chart Interpretation: At the time the rating was assigned, the model output indicated that Class A would have achieved a Aaa rating even if the expected loss could have reached 2.1% and assuming MILAN Aaa CE was as high as 7.9%.

Factors Which Could Lead to a Downgrade: In addition to counterparty issues, the following factors may have a significant impact on the subject transaction's ratings: (i) further deterioration in the real estate market beyond the recovery lag; (ii) modelled stress; and (iii) potential regulatory changes.

Table 1\*:

**Tranche A**

		MILAN Aaa CE output			
		5.3%	7.9%	10.6%	15.9%
<b>Median</b>	1.3%	<b>Aaa*</b>	Aaa (0)	Aa1 (1)	Aa2 (2)
<b>Expected</b>	1.6%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
<b>Loss</b>	1.8%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
	2.1%	Aaa (0)	Aaa (0)	Aa2 (2)	Aa3 (2)

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

**Composite V Score**

Breakdown of the V Scores Assigned to		Sector	Transaction	Remarks
Composite Score: Low, Medium or High		M	M/H	
<b>1</b>	<b>Sector Historical Data Adequacy and Performance Variability</b>	M	M/H	
1.1	Quality of Historical Data for the Sector	M	M/H	<ul style="list-style-type: none"> <li>– First VPO stand-alone transaction was released in 2008, hence the limited securitisation history.</li> <li>– Although the first VPO programme was launched in 1968, there is very limited historical data available from originators.</li> <li>– Uncertainty as to whether past performance adequately reflects future performance.</li> </ul>
1.2	Sector's Historical Performance Variability	M	M	– Same as sector score
1.3	Sector's Historical Downgrade Rate	L/M	L/M	– Same as sector score
<b>2</b>	<b>Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure</b>	M	M/H	
2.1	Quality of Historical Data for the Issuer/Sponsor/ Originator	M	M/H	<ul style="list-style-type: none"> <li>– Originators provide only 4-6 years of historical information.</li> <li>– The historical information is limited as vintages did not include many loans. That available does not cover a severe stress scenario, i.e. one resulting in uncertainty as to whether past performance adequately reflects future performance. Only one originator provided 10 years of historical information, but the sample is not representative as very few loans originated in each vintage.</li> </ul>

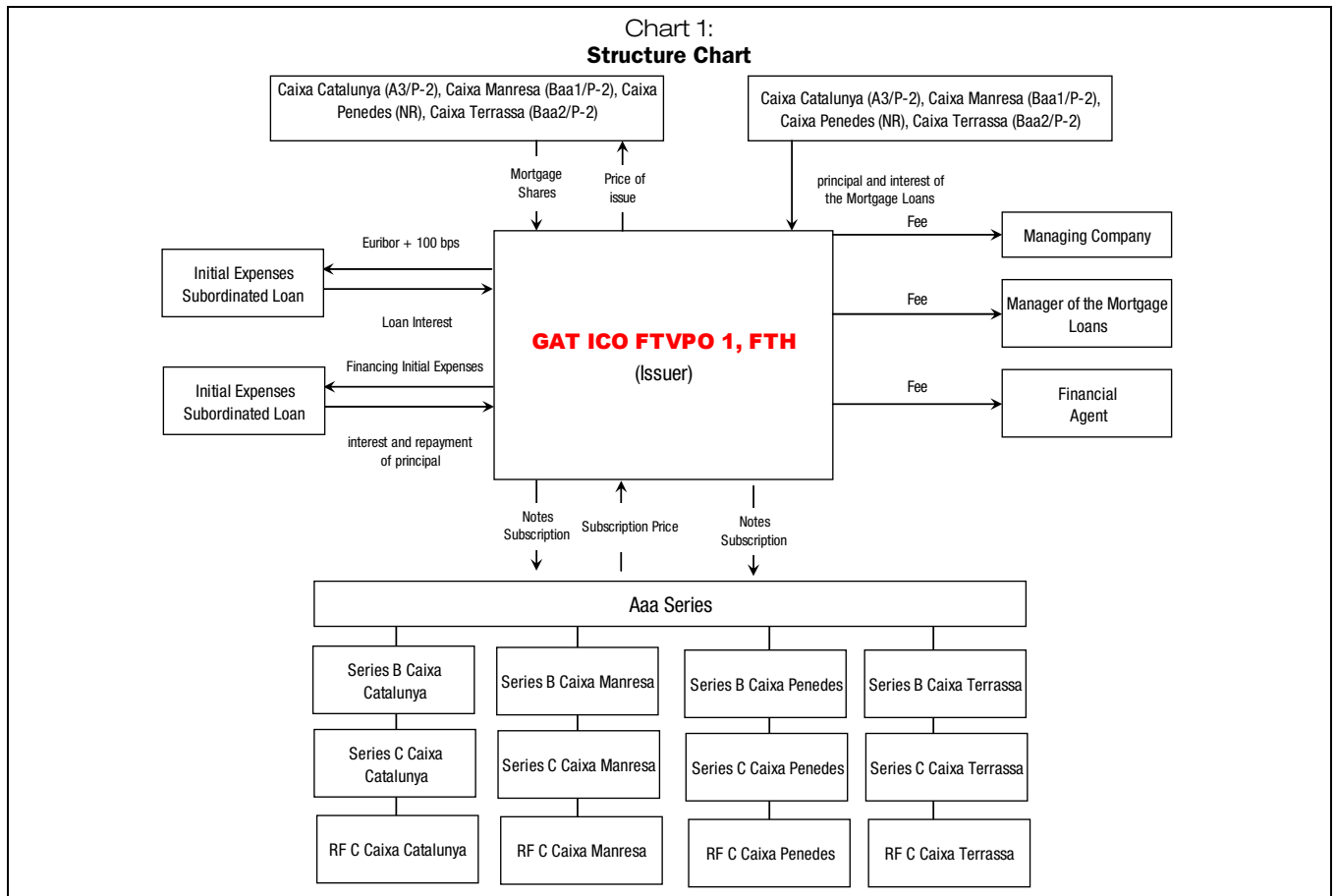
Breakdown of the V Scores Assigned to		Sector	Transaction	Remarks
2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M	M	<ul style="list-style-type: none"> <li>– In line with sector score</li> <li>– Defaults are very low during a strong economic period, but might be moderately higher than expected during periods of economic weakness.</li> </ul>
2.3	Disclosure of Securitization Collateral Pool Characteristics	L/M	L/M	<ul style="list-style-type: none"> <li>– Detailed information has not been provided about some VPO characteristics, namely family income and property declassification.</li> </ul>
2.4	Disclosure of Securitization Performance	L/M	M	<ul style="list-style-type: none"> <li>– Detailed information about the VPO characteristics, such as borrower unemployment exposure or family income might not be disclosed</li> </ul>
<b>3</b>	<b>Complexity and Market Value Sensitivity</b>	LM	M/H	
3.1	Transaction Complexity	L/M	M	<ul style="list-style-type: none"> <li>– Several aspects of a VPO transaction result in added complexity when compared with a typical Spanish transaction:</li> <li>– Several active housing plans with different characteristics</li> <li>– Different house price regulations</li> <li>– Complexity of principal allocation due to subsidies</li> <li>– Slightly more complex collateral characteristics than a standard Spanish RMBS (e.g. property transferability limitations, declassification process, subsidy mechanism)</li> </ul>
3.2	Analytic Complexity	L/M	M/H	<ul style="list-style-type: none"> <li>– Some added complexity of principal allocation: Class A is a single class, cross-collateralised by all four pools. The pool is cross-collateralised for Series A through the use of compensatory interest and principal payments, which allow cash flow to be used from one sub-pool to make up interest or a principal shortfall in another sub-pool.</li> </ul>
3.3	Market Value Sensitivity	L/M	L/M	<ul style="list-style-type: none"> <li>– In line with sector score</li> </ul>
<b>4</b>	<b>Governance</b>	L/M	M	
4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	<ul style="list-style-type: none"> <li>– In line with sector score</li> </ul>
4.2	Back-up Servicer Arrangement	L	L/M	<ul style="list-style-type: none"> <li>– One originator does not have a public rating outstanding. However, in the event of losing a certain trigger level, originators must appoint a back-up servicer for their sub-pool.</li> </ul>
4.3	Alignment of Interests	L/M	L/M	<ul style="list-style-type: none"> <li>– Same as sector score (see originator/servicer-related section)</li> </ul>
4.4	Legal or Regulatory Uncertainty	L/M	M	<ul style="list-style-type: none"> <li>– There are some specific characteristics of the VPO market that introduce a degree of uncertainty (e.g. future evolution of the VPO housing price or legal uncertainty associated with housing plans).</li> </ul>

### Strengths:

- **Credit support:** Fully funded, amortising reserve funds at closing will cover any potential shortfall in interest and principal equal to 3.11% for the Caixa Catalunya sub-pool, 3.78% for the Caixa Manresa sub-pool, 2.93% for the Caixa Penedes sub-pool and 3.43% for the Caixa Terrassa sub-pool.
- **Weighted-average LTV:** Weighted-average current LTV (based on valuation at origination) of 60.12%, with no loan with an LTV above 80%. All loans are first-lien mortgages on first residences located in Spain and granted to Spanish borrowers.
- **Seasoning:** The portfolio is well seasoned, with weighted-average seasoning of five years.
- **Hedging arrangements:** An interest rate swap is in place to cover the mismatch between base rates on mortgages and on notes. The swap also secures the weighted-average margin on notes plus 1.00%.
- **Artificial write-off mechanism:** Excess spread-trapping mechanism through a 12-month “artificial write-off” mechanism.

### Concerns and Mitigants:

- Moody’s is particularly focused on the following factors, with those most likely to affect the ratings listed first:
- **Geographical concentration:** Geographical concentration in the region of Catalonia (69.45%) is mitigated in part by the fact that this is the region of the originators’ origin, where they have their greatest expertise. Concentration risk is evaluated in Moody’s MILAN framework.
- **Payment shocks:** 59.77% of VPO loans are to borrowers with a low/medium family income that enjoy different levels of subsidy, which could lead to payment shocks when the subsidy ends. Additionally, loans can be frozen at the request of the debtor in case of unemployment. In that case, the interest will be capitalised and the new total loan will never exceed the original balance. However, granting this feature is subject to originator approval and no borrower has yet requested it. Given that it is similar to the payment holiday (in that, once this period has elapsed, the debtor will have to pay a higher instalment and that payment shock generates additional risk), Moody’s treats this characteristic as a payment holiday feature.
- **Subsidy loans:** 59.77% of the portfolio corresponds to subsidy loans (“prestamos con cuota subsidiada”). The government subsidy is provided as a portion of the instalment (composed of interest and principal). It may take up to 12-18 months after the request for this payment to be repaid by the government. The interest part of the subsidy is covered by the swap mechanism. However, as the transaction is unable to allocate subsidy payments between interest and principal, there may be a delay in the receipt of principal collection. To mitigate this risk, the originators provide a liquidity facility to advance the principal part of the subsidy.
- **Commingling mitigants:** Commingling risk is mitigated by the daily transfer of collections. Moody’s has taken this risk into consideration by modelling commingling loss equal to one month of stressed collections in the event of originators’ default (see “Cash Commingling” on page 10 for additional information).
- **Back-up Servicing:** The originators will identify a back-up servicer for their sub-pool if they are downgraded below **Baa3** (or BBB by Fitch for Caixa Penedes, which is not rated by Moody’s). At that stage, the back-up servicer will enter only into a back-up servicer agreement and will only replace the servicer(s) at the discretion of the management company.



**Transaction Summary:** The transaction has a unique Aaa series supported by 4 sub-pools and four reserve funds. The subordinated notes are supported only by their respective sub-pool and reserve fund. The amortisation of Series A (the part corresponding to each Seller), Series B and Series C notes will be sequential and will be based on the seller’s share of the theoretical amortisation amount. Each sub-structure will have its own credit enhancement feature, which will only be used to support the respective structure. However, if there is not enough interest or principal collection from a particular sub-pool to pay its share of interest or principal on Class A, an amount equal to the shortfall (compensatory amount) will be paid from the relevant collections of the other sub pools.

The compensatory amount to be paid by each performing sub-pool will be determined pro rata based on the available resources of each sub-pool.

The funds “borrowed” by one sub-pool from another will be returned on the subsequent payment date when that sub-pool has sufficient funds to make the Class A payments at the associated level (either principal or interest). The funds available after the Class A payment on that level will then be used to “repay” the other sub-pool(s).

If, on any payment date, any reserve fund is below the amount required after the application of the available resources on the waterfall of payments, an amount equivalent to that shortfall will be retained by each of the

other sub-pools on a pro rata basis, after their corresponding reserve funds are replenished (retained amount: compensatory payment). This compensatory payment can be used to pay any interest or principal shortfall in Class A.

**Allocation of payments by sub-pool/Pre-accelerated revenue waterfall:** On each quarterly payment date, the issuer’s available funds (i.e. interest amounts received from each portfolio, the amount in the respective reserve fund, under the swap agreement, and interest earned on the treasury account) will be applied in the following, simplified, order of priority:

1. Cost and fees, excluding the servicing fee, which is paid junior on the waterfall
2. Any amount due under the swap agreement and swap termination payment if the Fondo is the defaulting, or the only affected, party
3. Interest on Series A and reimbursement of any amount obtained from the ICO on previous payment dates to cover any potential shortfall to Series A(G). A shortfall, if any, can be paid using compensatory payments from any of the sub-pools
4. Retention of compensatory payments on interest on Series A
5. Interest payment to Class B and Class C in sequential order, if not deferred

6. Principal payments allocated in sequential order until fully repaid to Class A (which will receive pro rata share from each sub-pool), Class B and Class C
7. Interest payment to Class B notes (if deferred)
8. Interest payment to Class C notes (if deferred)
9. Replenishment of the reserve fund
10. Retention of compensatory payments on the reserve fund
11. Interest payment to Class D
12. Principal payment to Class D
13. Termination payment under the swap agreement (except if the Fondo is the defaulting, or the only affected, party)
14. Junior expenses

**Allocation of Payments/PDL-like mechanism:** A PDL is defined as the negative difference between the principal available funds and target principal amount. A target principal amount is the difference between the note's outstanding principal and the performing assets. A non-performing asset is defined as one with any amount due, but unpaid for more than 12 months, or as one written off.

#### Performance Triggers:

Trigger	Conditions	Remedies/Cure/implication
Interest deferral trigger on class Bx	<ul style="list-style-type: none"> <li>– The PDL is equal to or greater than the sum of 50% of the outstanding amount of the Class Bx plus the outstanding amount of Class Cx and</li> <li>– Class A is not fully redeemed</li> </ul>	If the conditions are met, interest payment on these classes of note will be postponed until after the principal payment of the more senior notes in the payment waterfall
Interest deferral trigger on class Cx	<ul style="list-style-type: none"> <li>– The PDL is equal to or greater than the outstanding amount of Class Cx and</li> <li>– Class A and Bx are not fully redeemed</li> </ul>	If the conditions are met, interest payment on these classes of note will be postponed until after the principal payment of the more senior notes in the payment waterfall
Reserve Fund Amortisation	<ul style="list-style-type: none"> <li>– The arrears level in the relevant sub-pool (defined as the percentage of loans that are more than 90 days in arrears) exceeds 1% of the total outstanding amount of that sub-pool</li> <li>– The reserve fund is not funded at its required level on the previous payment date or</li> <li>– The written off loans exceed 1% of the total outstanding amount of the relevant sub-pool</li> </ul>	The target amount of the relevant reserve fund will not be reduced on any payment date on which these occur

**Reserve Fund:** Fully funded, amortising reserve funds at closing for each of the four sub-pools will cover any potential shortfall in interest and in principal:

- 3.11% of the relevant notes (pro rata share of Class A for each sub-pool) for Caixa Catalunya sub-pool
- 3.78% of the relevant notes (pro rata share of Class A for each sub-pool) for Caixa Manresa sub-pool
- 2.93% of the relevant notes (pro rata share of Class A for each sub pool) for Caixa Penedes sub-pool
- 3.43% of the relevant notes (pro rata share of Class A for each sub-pool) for Caixa Terrassa sub-pool

Amortising to the lesser of the following amounts:

- 1) Amount at closing
- 2) The higher of the following amounts:
  - Double the initial reserve fund percentage of the outstanding balance of the relevant notes
  - Half the initial reserve percentage of the initial amount of the relevant notes

The amortisation of the Series A notes (the part corresponding to each seller), Series Bx and Series Cx will be sequential and will be based on the seller's share of the theoretical amortisation amount

**ICO-FTVPO programme:** In April 2008, ICO launched a guarantee facility for the securitisation of loans backed by VPO properties. The programme structure is similar to the other two existing guarantee programmes in the Spanish market for SMEs (FTGENCAT and FTPYME). However, it has a different purpose, which is to attempt to reactivate the construction sector by reorienting it towards the VPO segment, where demand for social residential housing is still strong. ICO will guarantee tranches equal to or higher than €100 million that are rated Aaa prior to the awarding of the guarantee (i.e. the guarantee tranches must achieve a Aaa rating without taking the guarantee into consideration).

Following the first three years after closing, the reserve fund may amortise over the life of the transaction subject to the reserve fund amortisation trigger.

#### Liquidity:

- Principal to pay interest mechanism
- The reserve funds are a further source of liquidity
- The originators provide a liquidity deposit of €4,100,000 to advance the principal part of the subsidy payments

**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, a PDL trigger is hit.

## Assets:

### Asset transfer:

**True sale:** According to the legal opinion received, a securitisation of assets will be carried out in compliance with Spanish securitisation law.

**Bankruptcy remoteness:** Under the Spanish Securitisation Law, a Spanish Fondo (FTA/FTH) is not subject to Spanish Insolvency Law. Only the Management Company, acting in the best interest of the note-holders, may decide to liquidate the SPV.

**Claw-back risk upon default of the originator:** Claw-back risk is limited to those activities performed over a period of two years prior to the declaration of the bankruptcy state, even in the absence of fraud. According to the legal opinion of the transaction lawyers, there is no claw-back risk in this transaction.

### Interest rate mismatch:

100% of the portfolio corresponds to VPO floating rate loans linked to a VPO reference rate, which is generally set annually by the Spanish Cabinet. The note is reset by Euribor every quarter on the determination dates. As a result, the Fondo will be subject to base-rate mismatch risk.

### Mitigant:

The Fondo will enter into four swap agreements with CECA to mitigate these risks and to obtain a minimum level of excess spread. Under the swap agreement:

- The Fondo will pay the actual amount of interest received from the loans (both subsidised and non-subsidised portions of interest) since the previous payment date.
- The swap counterparty will pay the sum of the interest rate on the Series A, B, and C notes plus 100 bps, over a notional calculated as the daily average outstanding amount of non-written-off loans.
- The Fondo will be exposed to reductions in the notional due of loans rolling into arrears over 90 days. Should these loans become current again, the arrears received from borrowers would be passed on to the swap counterparty.
- The swap documentation complies with Moody's swap criteria and has been articulated under CMOF.

**Cash Commingling:** All the payments under the loans in this pool are collected by the servicers through a direct debit scheme into the originators' accounts held at a P-1-rated entity. In the event of insolvency of the originators and until the relevant debtors are notified to redirect their payments, the underlying debtors' payments will continue to be collected by the servicer and may be commingled with other funds belonging to the originators.

### Mitigant:

Payments are transferred daily to the treasury account in the name of the Fondo held by Banco Sabadell (A2/P-1).

In breach of certain triggers (please see table "Counterparty Rating Triggers" on page XX for more details), the management company may ask the originator/servicer to notify obligors of the portfolio's transfer to the Fondo and advise the obligors that payments on their loans will be effective only as a discharge if made into the treasury account in the name of the issuer. The management company may also carry out this notification.

In addition, Moody's has taken into consideration this risk by modelling commingling loss equal to one month of stressed collections in the event of originators' default.

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

Mitigant: Set-off is very limited because only unpaid instalments considered fully due and payable prior to the declaration of insolvency can be offset against the deposits held by the originator.

**Permitted variations:** Renegotiation of the terms and conditions of the loans is subject to the management company's approval. The management company may authorise the originators to renegotiate the interest rate or maturity of the loans without requiring its approval. This risk is mitigated by the swap.

**Mitigant:** Originators will not be able to extend the maturity of any loan beyond June 2033. Moreover, the renegotiation of the maturity of the loans is subject to various conditions, of which the following are the most significant:

1. 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.
2. The frequency of payments cannot be decreased.
3. The amortisation profile cannot be modified.

**Subsidy implications on VPO loans:** There is a lag in the payment of the subsidies incurred by the Housing Department for both the interest and principal on VPO loans.

**Mitigant:** This has been mitigated by covering both subsidised and non-subsidised portions of interest through the payment advanced under the interest rate swap. However, to mitigate the delay in the receipt of principal collections, the originators provide a liquidity deposit available to advance this principal part of the subsidy.



## Originator Profile, Servicer Profile, and Operating Risk

Date of Operations Review: Moody's held a discussion with each originator (November 2009)

### Originator Background:

Rating: Caixa Catalunya (A3/P-2) (60.9% of the aggregate sub-pools)  
 Financial Institution Group Outlook for Sector: Negative  
 Ownership Structure: NA  
 Asset Size: €784.8 million  
 % of Total VPO Book Securitised: 25%  
 Transaction as % of VPO Total Book: 25%  
 % of Transaction Retained: 5.33% of the total deal (including the Reserve Fund)

### Originator Assessment

### Main Strengths and Weaknesses

Sales & Marketing Practices	<ul style="list-style-type: none"> <li>– The vast majority of VPO loans are originated through the branch channel. Origination via brokers (APIs) is marginal for this product.</li> </ul>
Underwriting Policies & Procedures	<ul style="list-style-type: none"> <li>– There are two types of scoring system</li> <li>– Behaviour: based on historical information about the client with Caixa Catalunya</li> <li>– Origination: different score cards depending if client or not</li> <li>– Both the scoring system and the models for the calculation of regulatory capital requirements have been approved by the Bank of Spain and audited by internal and external parties.</li> <li>– DTI calculation uses net income (mostly fixed, giving partial value to variable income) against financial debts. No stress on the interest rate is applied.</li> <li>– Income verification through three payment slips: (i) income tax verification; (ii) "Labour Life Report" for the past 12 months (an official document that summarises all previous jobs with their start and end dates); and (iii) the number of contributions made to the social security system.</li> </ul>
Property Valuation Policies & Procedures	<ul style="list-style-type: none"> <li>– Caixa Catalunya works with five external valuation companies, all independent and certified by the Bank of Spain. Indeed, quality of valuation in the country is standardised by the Bank of Spain, which certifies valuers or Sociedades de Tasacion. Valuation companies provide insurance against fraud affecting the valuation.</li> </ul>
Closing Policies & Procedures	<ul style="list-style-type: none"> <li>– VPO loans usually take seven days in total from application to closing. Seven days for internal approval plus 15 days of paperwork with the Ministry of Housing.</li> </ul>
Credit Risk Management	<ul style="list-style-type: none"> <li>– To guarantee the quality of the information and to prevent incorrect feedback entering the scoring system, Caixa Catalunya carries out random internal audits annually.</li> </ul>
<b>Originator Stability</b>	
Quality Control & Audit	<ul style="list-style-type: none"> <li>– Caixa Catalunya is regulated by the Bank of Spain and carries out annual external audits</li> <li>– The pool to be securitised has been audited.</li> </ul>
Management Strength & Staff Quality	<ul style="list-style-type: none"> <li>– The Risk Analysis Unit consists of 16 analysts at headquarters, plus 14 analysts in Madrid and four in Lerida. Each analyst reviews four transactions a day, on average, and is three years seasoned with previous experience on the commercial side and in the risk department.</li> </ul>
Technology	<ul style="list-style-type: none"> <li>– That Caixa Catalunya has a proper internal network to run all the relevant processes is confirmed by the creation of an electronic file for every transaction and a scoring system validated by the Bank of Spain.</li> </ul>
Sales & Marketing Practices	<ul style="list-style-type: none"> <li>– The vast majority of VPO loans are originated through the branch channel. Origination via brokers (APIs) is marginal for this product.</li> </ul>
Underwriting Policies & Procedures	<ul style="list-style-type: none"> <li>– There are two types of scoring system</li> <li>– Behaviour: based on historical information about the client with Caixa Catalunya</li> <li>– Origination: different score cards depending if client or not</li> <li>– Both the scoring system and the models for the calculation of regulatory capital requirements have been approved by the Bank of Spain and audited by internal and external parties.</li> <li>– DTI calculation uses net income (mostly fixed, giving partial value to variable income), against financial debts. No stress on the interest rate is applied.</li> <li>– Income verification through three payment slips: (i) income tax verification; (ii) "Labour Life Report" for the past 12 months (an official document that summarises all previous jobs with their start and end dates); and (iii) the number of contributions to the social security system.</li> </ul>

### **Servicer & Back-Up Servicer Background:**

Servicer and Its Rating:	Caixa Catalunya (A3/P-2) (60.9% of the aggregate sub-pools).
Total Number of Mortgages Serviced:	N/A
Number of Staff:	N/A

### **Servicer Assessment:**

### **Main Strengths and Weaknesses**

#### **Servicer Ability**

Loan Administration	Since 1995, Caixa Catalunya has had in place a system that is an application responsible for administering loans (from the first day of non-payment until total recovery of the file). The "modulo de impagados" manages the amount of debt on a daily basis and automatically registers the quantity of unpaid debt, if there is any. If the debtor is due on any instalment, his/her personal account will be blocked and any income due will automatically be used to pay off the outstanding debt. From the first day of non-payment, arrears interest will be accrued.
Early Arrears Management	<p>The first action is undertaken by the branch itself, which will have 10 days to establish an initial contact with the client. This initial contact will serve the client with a reminder that his instalment has not been paid.</p> <p>Alongside this initial step by the branch, an automatic cycle of letters will be sent to the client. Each time a new letter is sent out, this action will be recorded on the IT platform.</p> <p>DAY 1: The branch makes initial contact with the client</p> <p>DAY 5: Initial letter is sent out</p> <p>DAY 10: If the branch has not been successful in establishing contact with the debtor, then the recovery procedure is externalised to a call centre</p> <p>DAY 20: Second letter is sent out</p> <p>DAY 25: If call centre has not been successful in renegotiating an agreement with the debtor, the files are sent to an external recovery agency, which will try to establish some sort of contact with the client (via telephone, visits, letters).The branch will also continue to negotiate the outstanding debt.</p> <p>DAY 35: Third letter is sent out to client and first letter is sent to guarantors</p> <p>DAY 60: Fourth letter is sent out to client &amp; second letter is sent to guarantors. Delinquent files are communicated to the credit bureau files.</p> <p>DAY 85: Branch will send file to the recovery department within CC</p>
Loss Mitigation and Asset Management	After the 85th day of non-payment, the file is sent on to the recovery department, where the manager will attempt to normalise the situation. The main way to have the file normalised is to renegotiate the conditions of the loan (generally by lengthening its maturity).

#### **Servicer Stability**

Financial Stability	Caixa Catalunya (A3/P-2)
Management Strength & Staff Quality	The bank currently has 78 external lawyers and 282 procuradores to deal with court procedures.
IT, reporting & Quality control, Audit	Caixa Catalunya is managed in line with Spanish market standards.

Strength of Back-up Servicer Arrangement: The originators will identify a back-up servicer for their sub-pool if they are downgraded below **Baa3** (or BBB by Fitch for Caixa Penedes, as it is not rated by Moody's). At this stage, the back-up servicer will enter a back-up servicer agreement, but will only replace the servicer at the discretion of the management company.

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/Servicer Related Triggers

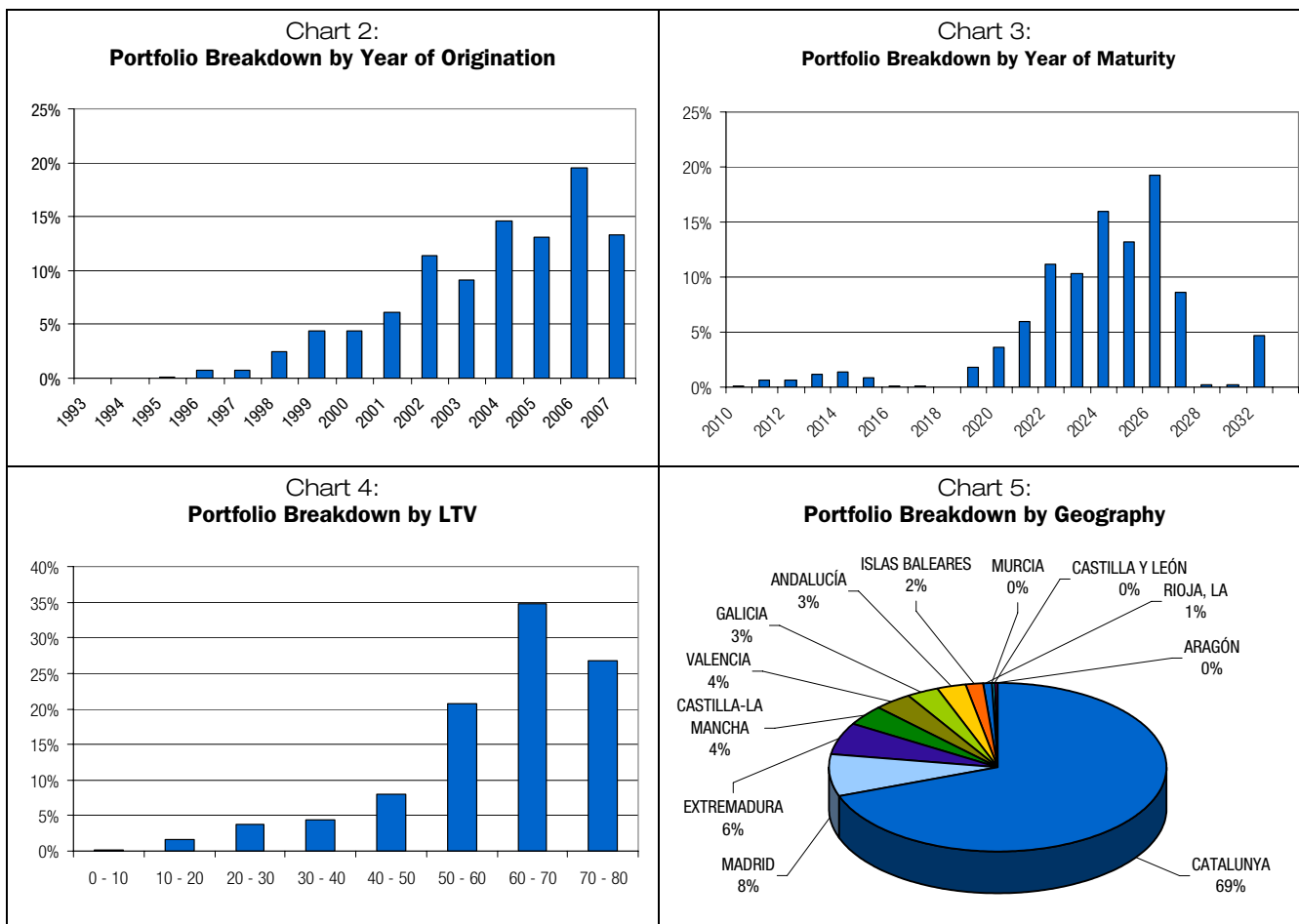
Key Servicer Termination Events:	Insolvency; administration by the Bank of Spain; breach of servicer obligations; or servicers' financial conditions being detrimental to the fund or note-holders' interests (always at the discretion of the management company).
Downgrade of Original Servicer's Rating to Certain Level	N/A
Appointment of Back-up Servicer Upon:	The originators will identify a back-up servicer for their sub-pool if they are downgraded below <b>Baa3</b> (or BBB by Fitch for Caixa Penedes, as it is not rated by Moody's). At this stage, the back-up servicer will enter a back-up servicer agreement, but will only replace the servicer at the discretion of the management company.
Key Cash Manager Termination Events:	Insolvency
Notification of Obligor's of True Sale	Insolvency; administration by the Bank of Spain; liquidation or substitution of the servicer; or because the management company deems it reasonable (always at the discretion of the management company).
Conversion to Daily Sweep (if original sweep is not daily)	Daily sweep from closing
Notification of Redirection of Payments to 's Account	Insolvency; administration by the Bank of Spain; liquidation or substitution of the servicer; or because the management company deems it reasonable (always at the discretion of the management company).
Accumulation of Set Off Reserve	N/A
Accumulation of Liquidity Reserve / Set up Liquidity Facility	N/A

### Receivable Administration:

Method of Payment:	100% by direct debit
% of Obligor's with Account at Originator:	100%
Distribution of Payment Dates:	Spread over the month

### Cash Manager:

Cash Manager and Its Rating	Gestión de Activos Titulizados S.G .F.T.; S.A (N.R.)
Main Responsibilities:	<ul style="list-style-type: none"><li>– Complying with its formal, documentary and reporting duties to the CNMV, the Rating Agencies and any other supervisory body.</li><li>– Complying with the calculation duties (including calculation of Available Funds, withholding obligations, etc.) provided for and taking the actions laid down in the Deed of Constitution and in this prospectus.</li><li>– Calculating and determining each determination date and the principal to be amortised and repaid on each bond series on the relevant payment date.</li><li>– Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions.</li><li>– The management company may extend or amend the agreements entered into on behalf of the fund, and substitute, as the case may be, each of the fund service providers as per the terms outlined in each agreement.</li></ul>
Calculation Timeline:	Determination date (five business days before the payment date)
Back-up Cash Manager and Its Rating:	None
Main Responsibilities of Back-up Cash Manager:	N/A



**Audits:** Performed on the provisional pool as of 18 May 2009 by Deloitte S.L., in compliance with the Spanish regulatory framework.

**Product Description:** The collateral backing the notes' issuance is entirely composed of first-lien VPO mortgage loans. VPOs are residential properties offered at a price below the free market value because of various forms of government aid. This price reduction is possible because of the subsidies provided by the government to the construction companies, which enable them to reduce the final purchase price of the property (for more information, please refer to "Moody's Updated RMBS Methodology For Rating Spanish Government Sponsored Housing (VPO) RMBS").

100% of the loans are VPO loans originated at originators' branches and granted to Spanish debtors.

Moody's believes that these products are less risky than traditional mortgages. This belief has been supported by the stronger performance of these particular mortgages in recent years. Nevertheless, as the amount of available data regarding the performance of such mortgage loans is limited and has not yet completed a full economic cycle, Moody's analysis incorporates adjustments to reflect the uncertainty as to how these loans would perform during a greater economic downturn and the possibility that they

may show greater loss volatility in times of further economic stress.

**Eligibility Criteria:** The key eligibility criteria are as follows:

- The mortgage certificates exist and are valid and enforceable.
- The mortgage certificates are secured with a top-ranked real estate mortgage.
- The mortgage certificates are all denominated and payable exclusively in euros.
- The mortgaged properties are all finished and located in Spain and have been appraised by duly qualified institutions approved by the Bank of Spain.
- The appraisal value considered and reported for all calculation purposes was the lower of the appraisal and the maximum legal value under the official protection system.
- None of the mortgage certificates have any payments more than one month overdue at the date the mortgage certificate was issued.
- The originators have strictly adhered to the policies in force at the time for granting credit in granting each and every one of the mortgage certificates.
- None of the mortgage credit facilities may be in a grace period at closing.

- Each mortgage certificate must be registered in the relevant property registry and represent an economic first-ranking claim on the corresponding property.

**Additional characteristics of loans backed by VPO properties:**

The loans backed by VPO properties belong to national plans 1992-95 (1.94%), 1996-99 (4.57%), 1998-2001 (26.02%), 2002-05 (64.49%) and 2005-08 (4.98%). The table below gives an overview of the main characteristics of the main national plans.

**Additional information on main National Plans:**

Main characteristics:	National Plan 1998-2001	National Plan 2002-2005
New houses constructed for families with annual income below average	€27,045	5.5 x SMI
Transferability limitation	10 years	10 years
Declassification not before	15 years	15 years
Maximum income to enjoy the subsidy	€27,045	4.5 x SMI
Subsidies (%) options	5%-10%-15%-20%-30%	From 5% to 45% (by +5% steps)
Subsidies (max duration)	2-3-5-10-15 yrs (for each % above)	10yrs (except for 5%-10% -> 5 yrs)

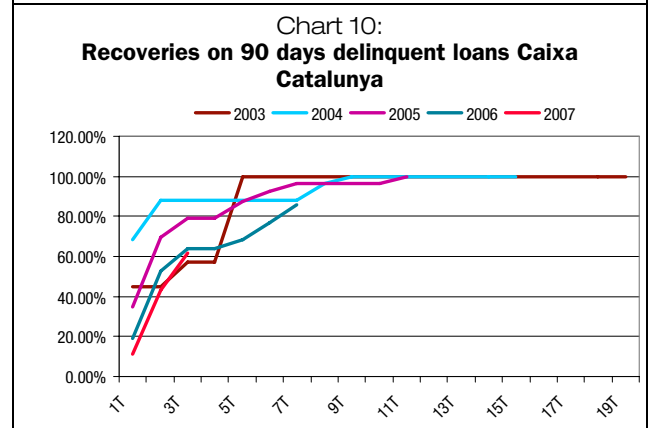
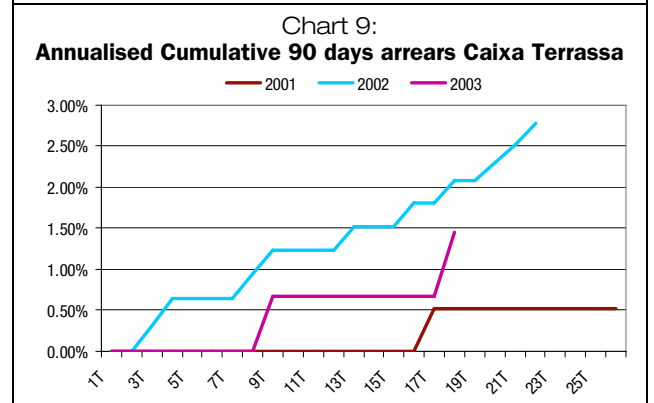
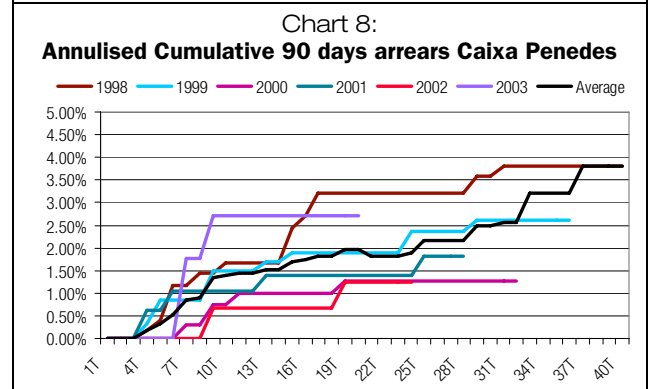
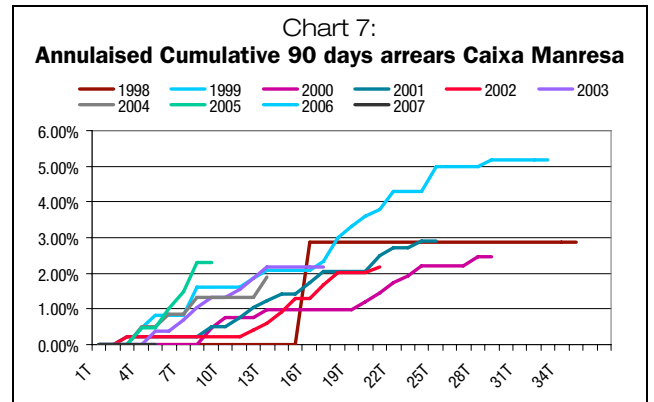
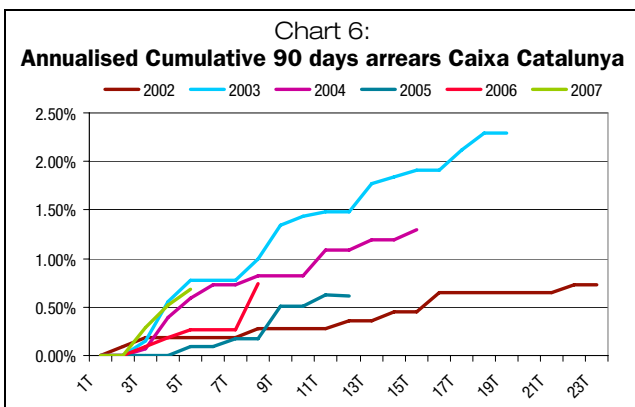
\*\* SMI: minimum salary established for a full time employee in Spain. Currently named IPREM.

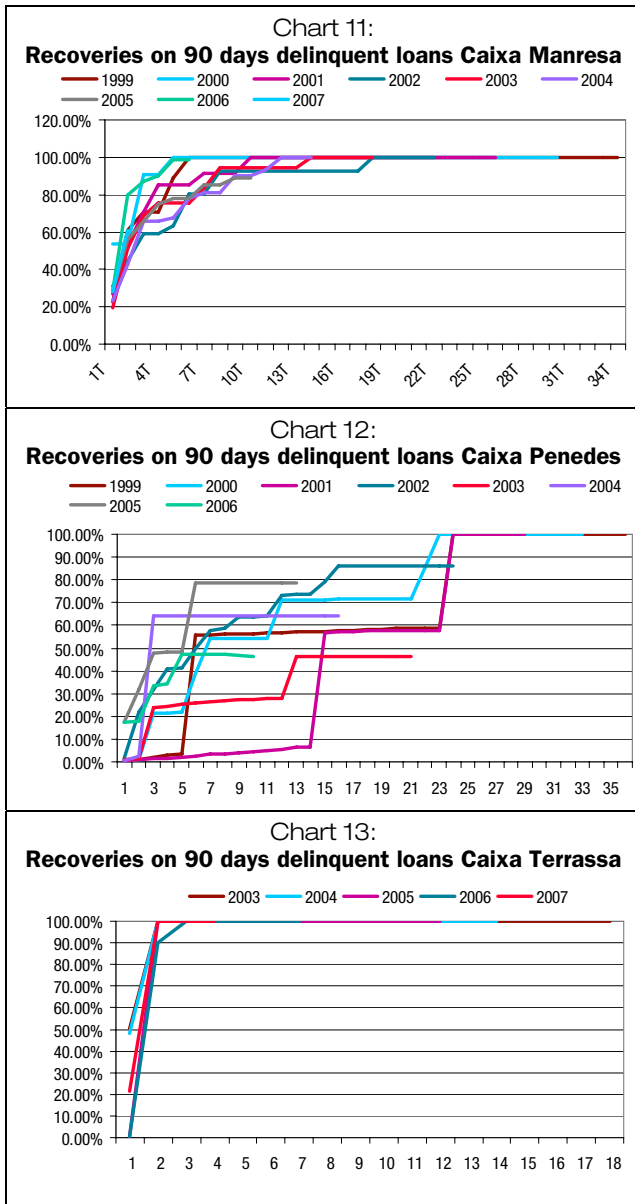
**Credit Analysis**

**Precedent Transactions' Performance:** This is an originator's debut transaction, so there is no previous transaction performance information available.

**Data Quantity and Content:** Moody's has received data on delinquencies over 90 days and on recoveries. In Moody's view, the quantity and quality of the data received is similar to that of other VPO transactions, which have achieved high investment grade ratings in this sector.

Charts 8, 9, 10 and 11 below show 90+ delinquencies by year of origination and recoveries by default vintage for VPO loans on the originator's portfolio. The 90+ delinquencies range from 0.50% to 5.18%. Recovery for the majority of delinquent loans is around 95%.





**Assumptions and definitions** Note that other values within a range of the notional amount listed below may result in the same ratings.

Spread compression / margin analysis	Guaranteed margin via the interest rate swap (WA coupon on the notes + 100 bps)
WA asset margin at closing	0%
WA asset margin after reset	Not applicable
Asset reset date	Annually spread over the year
Liabilities reset date	Quarterly on the determination date
Expected Median Loss	1.30
Milan Aaa CE	5.30%
Stressed Fees	30 bps modelled at the top of the waterfall
Actual Fees	4 bps
PDL Definition	18 months
Write-off	18 months
Interest on Cash	Eurbor 1 month

## Modelling Approach:

**Loss Distribution:** The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss; and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data; and the loan-by-loan model.

Moody's has been provided with loss data with respect to the originator's mortgage book and this is used in addition to other applicable and relevant data to extrapolate expected losses for the loan pool. Examples of data include market- and sector-wide performance, the performance of other securitisations and other originators' data.

To obtain the volatility under "stressed" scenarios, Moody's takes into account historical data. However observed historical volatility may not be significant (given insufficient or incomplete data) or representative for the future, being based on previous economic situations.

Consequently, Moody's determines a number representing the enhancement required for a pool of mortgages to obtain a rating consistent with **Aaa** under highly stressed conditions. This enhancement number (the "MILAN **Aaa** CE number") is produced using a loan-by-loan model, which looks at each loan in the pool individually and, based on its individual characteristics (such as loan-to-value or other identified drivers of risk), will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted-average benchmark CE will then be adjusted according to the positive and negative characteristics of each loan, or of the pool as a whole, to produce the MILAN **Aaa** CE number.

**Modeling assumption:** The Milan Aaa CE number and the expected loss number form the basis of rating committee discussions and are used to derive the lognormal distribution of the pool losses.

The standard deviation of the distribution is found by setting the expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

The rating of the notes is therefore based on an analysis of:

- The characteristics of the mortgage pool backing the notes.
- The relative roll-rate level and arrears in this type of lending, compared with conventional lending.
- Sector-wide and originator-specific performance data.

- The protection provided by credit enhancement and the liquidity support against defaults and arrears in the mortgage pool.
- The role of swap and hedging providers.
- The legal and structural integrity of the issue.

The pool is cross-collateralised for the Series A(G) through the use of compensatory interest and principal payments, which allow cash flow to be used from one sub-pool to make up interest or a principal shortfall in another sub-pool. This means that Moody's considers all sub-pools to be independent and then checks the ratings of the Series A(G) by modelling it as collateralised by the total pool with weighted-average subordinated tranching and a reserve fund.

The subordinated tranches are not cross-collateralised and can only use reserve funds corresponding to their sub-pool, so different MARCO/ABSROM models with associated EL and MILAN CE numbers are used for each sub-pool to assign ratings to subordinated tranches.

### Treatment of Concerns:

- Specific characteristics of this pool (high proportion of low-income borrowers), combined with uncertainty about the sector and a deteriorating economic environment, prompted a Milan Aaa CE above what could be expected by the model outcome.
- **Geographical concentration:** 69.45% of the loans are for properties located in Catalonia. The basic national price increase was bequeathed only partial value due to the lack of diversification.
- **Borrower Unemployment Exposure:** No information has been provided about the income of borrowers in the pool. To take into account the risk of missing data, Moody's applies a penalty of 20% on the entire pool.
- **Payment shock due to subsidy termination:** 59.77% of the pool currently enjoys a subsidy. A penalty was applied in MILAN foreseeing the payment shock when the subsidy terminates.
- **Frozen loans in case of unemployment:** Loans could be frozen at the request of the debtor in the event of unemployment. The interest will be capitalised and the total new loan amount will never exceed the original balance. However, granting this feature is subject to originators' approval and no borrower has yet requested this option. Given that it is similar to the payment holiday (in that, once this period has elapsed the debtor will have to pay a higher instalment and that payment shock generates additional risk), Moody's treats this characteristic as a payment holiday feature.

## Benchmark Analysis

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**Performance Relative to Sector:** In Moody's view, the historical performance of 90+ delinquencies provided by some originators was not similar to other originators in the VPO sector.

The first stand-alone transaction of VPO loans was released at the end of 2008, so there is not yet enough information about the monitoring of these transactions.

Deal Name	GAT ICO-FTVPO 1	BCJA-BVA VPO 1	AyT ICO-FTVPO I	AyT ICO-FTVPO Caja Vital Kutxa I
Closing date	19 July 2009	7 April 2009	18 March 2009	13 February 2009
Pool cut-off date	Provisional pool as of 18 May 2009	Provisional pool as of 28 February 2009	Provisional pool as of 6 February 2009	Provisional pool as of 12 January 2009
Originator	CAIXA CATALUNYA (60.9%) CAIXA MANRESA (16.4%) CAIXA PENEDES (12.3%) CAIXA TERRASSA (10.4%)	BANCAJA (85%) BANCO VALENCIA (15%)	CAJA NAVARRA (29%) CAJA GRANADA (33%) CAIXANOVA (19%) CAJA ONTINYENT (19%)	CAJA VITAL
Servicer	CAIXA CATALUNYA (60.9%) CAIXA MANRESA (16.3%) CAIXA PENEDES (12.3%) CAIXA TERRASSA (10.4%)	BANCAJA (85%) BANCO VALENCIA (15%)	CAJA NAVARRA (29%) CAJA GRANADA (33%) CAIXANOVA (19%) CAJA ONTINYENT (19%)	CAJA VITAL
MILAN Aaa CE	5.3%	7.3%	4.8%	8.8%
EL	1.3%	1.9%	1.2%	1.0%
<b>PORTFOLIO STRATIFICATION</b>				
Avg. Current LTV	60.12%	67.7%	70.5%	73.4%
% Current LTV > 70%	26.74%	35.0%	34.6%	63.4%
% Current LTV > 80%	0.0%	12.8%	5.3%	36.1%
% Current LTV > 90%	0.0%	8.4%	2.4%	19.1%
Avg. Current LTV indexed <sup>1</sup>	55.2%*	63.5%	54.5%	68.7%*
% Self Employed	No data provided	Not publicly available	Not publicly available	Not publicly available
% Non-owner Occupied (Includes: Partial Owner)	0.0%	Not publicly available	1.0%	Not publicly available
% in Arrears	4.97%	7.0%	5.6%	2.5%
Max regional concentration	Catalonia (69%)	Valencia (76%)	Navarra (29%)	Pais Vasco (93%)
<b>PORTFOLIO DATA</b>				
Current Balance	454,771,762	436,675,565	438,802,668	164,882,824
	VPO sub-pool: 454,771,762 (100%)	VPO sub-pool: 359,169,592 (82%)	VPO sub-pool: 354,870,442 (81%)	VPO sub-pool: 130,714,395 (79%)
	Free market sub-pool: 0 (0%)	Free market sub-pool: 77,505,973 (18%)	Free market sub-pool: 83,932,226 (19%)	Free market sub-pool: 34,168,428 (21%)
Average Loan	49,756	56,955	55,029	84,555
Borrower top 10 (as % of pool bal)	0.1%	1.1%	0.9%	1.7%
% Subsidised	59.7%	73.9%	80.3%	6.6%
Borrower income	Data Not provided	Not publicly available	Not publicly available	Not publicly available
WA interest rate	5.0%	5.0%	5.1%	5.7%
Average seasoning in years	5.0	4.2	4.2	3.2
Average time to maturity in years	15.0	18.9	22.2	26.9
Average House Price stress rate <sup>2</sup>	24.7%*	33.5%	29.5%	22.7%*
Average House Price change <sup>3</sup>	8.9%*	7.4%	12.4%	9.03%*
<b>STRUCTURAL FEATURES</b>				
Notes Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Total Aaa Size	92.65%	95.23%	92.7%	90.58%
RF at Closing <sup>4</sup>	See RF mechanism	1.95%	3.60%	5.20%
RF Fully Funded at Closing? <sup>5</sup>	Yes	Yes	Yes	Yes
RF Floor <sup>6</sup>	See RF mechanism	0.98%	1.10%	2.60%
Hedge in place	Yes	Yes	Yes	Yes
Swap rate or guaranteed XS (if applicable)	0.100%	0.50%	0.10%	0.10%
Principal to pay interest?	yes	yes	yes	yes

\* As per Moody's calculation based on the provisional pool as of April 15, 2009 for the transaction GAT ICO-FTVPO I, and the provisional pool as of November 18, 2008 for the transaction AyT ICO-FTVPO Caja Vital Kutxa I

<sup>1</sup> As per Moody's calculation.

<sup>2</sup> As per Moody's Milan methodology for Aaa scenario

<sup>3</sup> As per Moody's calculation

<sup>4</sup> Of original note balance

<sup>5</sup> Of original note balance

<sup>6</sup> Of original note balance



## Parameter Sensitivities<sup>i</sup>

Calculating the parameter sensitivities for this transaction, Moody's assumes 16 loss distributions derived from the combination of MILAN Aaa Credit Enhancement: 5.30% (base case), 7.9% (base x 1.5), 10.6% (base x 2.0) and 15.9% (base x 3.0) and expected loss: 1.30% (base case), 1.60% (base x 1.2), 1.8% (base x 1.4) and 2.1% (base x 1.6). The 5.3% / 1.3% scenario represent 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<sup>ii</sup>.

Table 2:

### Tranche A

		MILAN Aaa CE output			
		5.3%	7.9%	10.6%	15.9 %
<b>Median</b>	1.3%	<b>Aaa*</b>	Aaa (0)	Aa1 (1)	Aa2 (2)
<b>Expected</b>	1.6%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
<b>Loss</b>	1.8%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)
	2.1%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa3 (3)

Table 3:

### Tranche B

		MILAN Aaa CE output			
		5.3%	7.9%	10.6%	15.9 %
<b>Median</b>	1.3%	<b>A2*</b>	A2 (0)	A2 (0)	A3 (1)
<b>Expected</b>	1.6%	A2 (0)	A2 (0)	A3 (1)	Baa1 (2)
<b>Loss</b>	1.8%	A2 (0)	A3 (1)	A3 (1)	Baa2 (3)
	2.1%	A2 (0)	A3 (1)	Baa1 (2)	Baa3 (4)

Table 4:

### Tranche C

		MILAN Aaa CE output			
		5.3%	7.9%	10.6%	15.9 %
<b>Median</b>	1.3%	<b>Ba2*</b>	Ba2 (0)	Ba2 (0)	Ba2 (0)
<b>Expected</b>	1.6%	Ba2 (0)	Ba2 (0)	Ba2 (0)	Ba3 (1)
<b>Loss</b>	1.8%	Ba2 (0)	Ba2 (0)	Ba2 (0)	Ba3 (1)
	2.1%	Ba2 (0)	Ba2 (0)	Ba3 (1)	B1 (2)

**Worst-case scenarios:** When the rating was assigned, the model output indicated that Class A could have achieved a Aaa rating even if the expected loss had been as high as 2.1% and MILAN Aaa CE as high as 7.9%. Class B could have achieved a A2 rating even if the expected loss was as high as 2.1%, assuming MILAN Aaa CE remained at 5.3%.

## Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure 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:** Originators will act as servicers. However, at a loss of Baa3 (or BBB by Fitch, for Caixa Penedes) they will appoint a back-up servicer in the transaction.

**Significant Influences:** In addition to counterparty issues, 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 modelled stress.

### Counterparty Rating

Triggers	Condition	Remedies
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Treasury Account Bank	Loss of P-1	If the short-term rating of the treasury account provider falls below P-1, the management company will find a suitably rated guarantor or substitute within 30 business days.

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

**Monitoring Report:** Moody's has not received the template for the monitoring report and therefore could not assess the adequacy of the information to be reflected in it.

- The management company (Gestion de Activos Titulizados S.G.F.T; S.A) will be in charge of providing investor reports periodically (quarterly).
- As of today there is no commitment by the management company to provide Moody's with an updated pool cut on a periodical basis.
- An investor report will be available on the management company website: <http://www.gat-sfgt.info>

Originator	Caixa Catalunya	Caixa Manresa	Caixa Penedes	Caixa Terrassa
Closing date	19 July 2009	19 July 2009	19 July 2009	19 July 2009
Pool cut-off date	Provisional pool as of 18 May 2009	Provisional pool as of 18 May 2009	Provisional pool as of 18 May 2009	Provisional pool as of 18 May 2009
Originator	CAIXA CATALUNYA (60.9%)	CAIXA MANRESA (16.4%)	CAIXA PENEDES (12.3%)	CAIXA TERRASSA (10.4%)
Servicer	CAIXA CATALUNYA (60.9%)	CAIXA MANRESA (16.4%)	CAIXA PENEDES (12.3%)	CAIXA TERRASSA (10.4%)
MILAN Aaa CE	4.0%	7.0%	7.0%	6.0%
EL	1.0%	1.7%	1.7%	1.5%
<b>PORTFOLIO STRATIFICATION</b>				
Avg. Current LTV	63.8%	61.8%	45.2%	46.5%
% Current LTV > 70%	34.8%	16.5%	4.3%	21.57%
% Current LTV > 80%	0.0%	0%	0%	0%
% Current LTV > 90%	0.0%	0%	0%	0%
Avg. Current LTV indexed <sup>7</sup>	59.3%*	58.9%*	46.7%*	50.4%*
% Self Employed	No data provided	No data provided	No data provided	No data provided
% Non-owner Occupied (Includes: Partial Owner)	0.0%	0.0%	0.0%	0.0%
% in Arrears	4.36%	3.37%	4.33%	6.62%
Max regional concentration	Catalonia (50%)	Catalonia (100%)	Catalonia (99%)	Catalonia (99%)
<b>PORTFOLIO DATA</b>				
Current Balance	277,017,644	74,458,609	55,764,029	47,531,481
Average Loan	58,246	57,720	26,745	47,108
Borrower top 10 (as % of pool bal)	0.7%	1.4%	1.9%	2.6%
WA interest rate	4.9%	4.8%	4.2%	4.7%
Average seasoning in years	4.2	4.8	8.7	6.1
Average time to maturity in years	16.0	15.4	10.6	13.9
Average House Price stress rate <sup>8</sup>	25.0%*	24.0%*	24.0%*	24.0%*
Average House Price change <sup>9</sup>	8.1%*	5.2%*	10.3%*	6.9%*
<b>STRUCTURAL FEATURES</b>				
Notes Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Total Aaa Size	92.65%	92.65%	92.65%	92.65%
RF at Closing <sup>10</sup>	3.11%	3.78%	2.33%	3.43%
RF Fully Funded at Closing? <sup>11</sup>	Yes	Yes	Yes	Yes
RF Floor <sup>12</sup>	1.56%	1.89%	1.17%	1.72%
Hedge in place	Yes	Yes	Yes	Yes
Swap rate or guaranteed XS (if applicable)	0.100%	0.100%	0.100%	0.100%
Principal to pay interest?	Yes	Yes	Yes	Yes

\* As per Moody's calculation based on the provisional pool as of April 15, 2009

<sup>7</sup> As per Moody's calculation.

<sup>8</sup> As per Moody's Milan methodology for Aaa scenario

<sup>9</sup> As per Moody's calculation

<sup>10</sup> Of original note balance

<sup>11</sup> Of original note balance

<sup>12</sup> Of original note balance

## Related Research

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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:**

- Moody's Updated Methodology For Rating Spanish Government Sponsored Housing (VPO) RMBS, January 2009 (SF151453)
- Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)

### **Special Report**

- Spanish RMBS Q1 2008 Indices, May 2008 (SF133019)
- Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)
- Introducing Moody's Arrears Index for Spanish Mortgage-Backed Securities, March 2002 (SF12700)

*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.*

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- <sup>i</sup> 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. For more information on V Score and Parameter sensitivity methodology for RMBS, please refer 'V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors' published in April 2009.
- <sup>ii</sup> Results under base case assumptions indicated by asterix ' \* '. Change in model-indicated rating (# of notches) is noted in parentheses.

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