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RMBS Class Postsale

FonCaixa Hipotecario 6, Fondo de Titulización Hipotecaria

€600 million bonos de titulización hipotecaria

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Profile

Closing date: Dec. 17, 2002.

Collateral: A pool of first-lien mortgage loans.

Underwriter: InverCaixa Valores S.V., S.A.

Originator: Caja de Ahorros y Pensiones de Barcelona (La Caixa).

Seller: Caja de Ahorros y Pensiones de Barcelona.

Servicer: Caja de Ahorros y Pensiones de Barcelona.

Trustee: GestiCaixa, S.G.F.T., S.A.

Bank account provider : Caja de Ahorros y Pensiones de Barcelona.

GIC Account Provider: Caja de Ahorros y Pensiones de Barcelona.

Subordinated loan provider: Caja de Ahorros y Pensiones de Barcelona.

Paying agent: Caja de Ahorros y Pensiones de Barcelona.

Supporting rating: Caja de Ahorros y Pensiones de Barcelona (as swap counterparty and bank account provider; A+/Stable/A-1).

Rationale

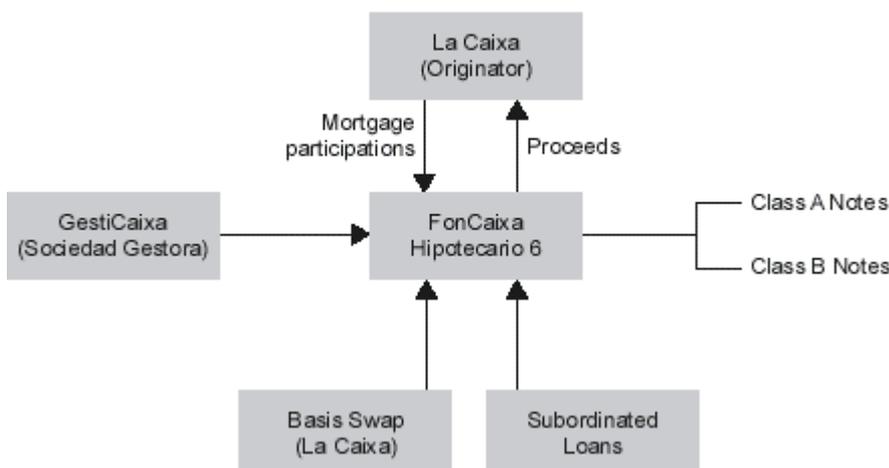
The credit ratings assigned to the €600 million bonos de titulización hipotecaria issued by FonCaixa Hipotecario 6, Fondo de Titulización Hipotecaria (FonCaixa 6) reflect:

- Standard & Poor's analysis on the portfolio of assets transferred to FonCaixa 6, representing a pool of first-ranking mortgage loans secured over residential properties located in Spain;
- The protection provided for noteholders by the levels of subordination. The class A notes are protected by the 3% subordination of the class B notes, the subordinated credit line, and excess spread. The class B notes are protected by the subordinated credit line and excess spread;
- The credit quality of Caja de Ahorros y Pensiones de Barcelona (La Caixa; A+/Stable/A-1) as swap counterparty; and
- The sound payment structure and cash flow mechanics of the transaction.

Transaction Structure

The structure of the transaction is shown in the following chart.

FonCaixa Hipotecario 6 Structure



At closing, the mortgage loans were sold by La Caixa to the "sociedad gestora" (fund manager) on behalf of FonCaixa 6.

The mortgages are serviced by La Caixa. The servicer, on behalf of the issuer, collects the amounts due under the mortgages. The amounts collected are transferred daily to the collection account held at La Caixa in the name of FonCaixa 6. The amounts held receive a guaranteed interest rate equal to the three-month EURIBOR rate.

Strengths, Concerns, and Mitigating Factors

Strengths

The strengths of the transaction observed in the rating analysis are:

- The quality of the collateral, which comprises first-ranking mortgage loans secured over residential owner-occupied properties, with an average current LTV ratio of 68.36%;
- The subordinated credit line and excess spread being available to cover any interest or principal shortfalls;
- The servicing capabilities of La Caixa; and
- The swap agreement established between the issuer and La Caixa, which mitigates interest rate basis risk in the transaction.

Concerns

Concerns identified with respect to the transaction are as follows:

- The securitized mortgage loans are the first drawdown made by the borrower under a credit line that is secured on the residential property purchased. Such secured credit lines may be drawn several times up to the initial LTV ratio, once the current LTV ratio of the mortgage loans has decreased below 70% (see "Collateral Description").
- The mortgage product includes a feature that allows borrowers to take a break from making principal payments, known as a principal payment holiday, for up to two years.

Mitigating Factors

The following factors mitigate these concerns:

- Standard & Poor's analysis took into account the fact that further drawdowns from the credit line rank *pari passu* with the initial mortgage loans. Such drawdowns are not an obligation of the originator and La Caixa may decline to grant further loans.
- The granting of payment holidays is subject to La Caixa's approval.

Roles of the Parties

FonCaixa Hipotecario 6, Fondo de Titulización Hipotecaria

The issuer is a fondo de titulización hipotecaria created for the sole purpose of purchasing the mortgage participations from La Caixa, issuing the notes, and carrying on related activities. The collateral consists of a distinct and closed pool of assets, cash flows from which are used for payments to the noteholders. The assets are insulated from the insolvency of the originator and the sociedad gestora.

GestiCaixa, Sociedad Gestora de Fondos de Titulización, S.A. (Fund Manager)

The creation of the sociedad gestora was authorized by the Ministry of Economy and Treasury in August 1994. Under the legislation for mortgage securitization in Spain, the day-to-day operations of the issuer are managed by the sociedad gestora, which represents and defends the interests of the noteholders. The sociedad gestora, on behalf of the issuer, enters into certain contracts (a GIC or guaranteed investment contract, a swap, and subordinated loans) needed to protect it against certain credit losses and liquidity shortfalls that are assumed to arise in connection with the holding of the mortgage participations. In this transaction, the main responsibilities of the sociedad gestora are to

create the issuer, issue the notes on behalf of the fondo de titulización hipotecaria, calculate the interest rate on the notes, notify noteholders of any relevant information applicable to the notes and mortgage participations, and organize the annual audit.

Caja de Ahorros y Pensiones de Barcelona (Originator and Servicer)

Established through the 1990 merger of two savings banks, La Caixa ranks as the largest savings bank and the third-largest banking group in Spain.

With concentration on individual, residential mortgage, and small and midsize business lending, La Caixa provides a broad range of financial services nationwide to retail clients (56% of its activities), corporate clients (41%), and public sector clients (3%). It also engages in leasing, brokerage, and insurance activities.

La Caixa has a dominant market share in its core regions of Catalonia, one of Spain's wealthier autonomous communities, and the Balearic Islands. Expansion of its branch network has provided La Caixa with an 8% share of the nation's total deposits and loans. As a result of a focused national expansion strategy begun more than 10 years ago, La Caixa currently has more than 7.6 million clients. It has a network of about 4,400 branches throughout Spain and more than 6,800 ATM terminals. La Caixa holds a 10.85% share of the Spanish mortgage lending market.

Note Terms

Unless redeemed earlier, the notes will be redeemed at their legal final maturity in April 2035, which is 30 months after the maturity of the longest-term mortgage loan in the pool.

Interest is paid quarterly in arrears, commencing April 25, 2003.

The notes pay a floating interest rate of three-month EURIBOR plus a spread.

The notes pay sequentially throughout the life of the transaction. They may be fully redeemed if:

- The remaining balance of the collateral falls below 10% of its original balance; or
- The sociedad gestora becomes bankrupt, or its authorization is revoked and no replacement can be found.

Subordinated Loans

Start-Up Loan

La Caixa provided two subordinated loans at closing. The first funded the closing expenses and the initial mismatch between the assets and liabilities of the fund.

Subordinated Credit Line

The second loan is a subordinated credit line, amounting to 1.77% of the initial issue amount of the notes, to cover any shortfalls in interest and principal arising at any payment date. The credit line was not funded at closing.

The maximum amount drawable under the subordinated credit line is set for the first three years of the transaction at 1.77% of the initial issue amount. Thereafter, the maximum amount is the minimum of (i) 1.77% of the initial issue amount, and (ii) the sum of 3.54% of the outstanding principal on the underlying loans, plus 50% of the outstanding amount of loans more than 90 days in arrears. The subordinated credit line has a floor amount that has been set at 0.5% of the initial issue amount.

Downgrade of the Subordinated Credit Line

If the short-term rating on La Caixa falls below 'A-1', then within 30 days the sociedad gestora does one of the following:

- It draws the full amount of the credit line to the issuer's account. The amount is determined by the rules described above.
- It substitutes the provider with another entity, whose short-term debt is rated at least 'A-1'.

Both options are subject to Standard & Poor's rating confirmation.

Swap Agreements

On behalf of FonCaixa 6, the sociedad gestora entered into two swap agreements, called swap A and swap B, with La Caixa as swap counterparty.

Swap A

FonCaixa 6 pays an amount calculated by applying a rate equal to the weighted-average rate applicable to the mortgage participations less 0.65%, to a principal notional amount (see below). FonCaixa 6 receives from the swap counterparty an amount calculated by applying three-month EURIBOR plus the margin of the class A notes on the notional principal balance of swap A.

Swap B

FonCaixa 6 pays an amount calculated by applying a rate equal to the weighted-average rate applicable to the mortgage participations less 0.65%, to a principal notional amount (see below). FonCaixa 6 receives from the swap counterparty an amount calculated by applying three-month EURIBOR plus the margin of the class B notes on the notional principal balance of swap B.

The notional amounts are based on the outstanding principal of the respective class. For swap A, the notional amount is the outstanding amount of the class A notes. Under swap B, it is the outstanding principal amount of the class B notes.

Downgrade of Counterparties in the Swap Agreement

In the event of a downgrade of the swap counterparty, within 30 days of the notification of the downgrade, the sociedad gestora:

- Obtains a guarantee from an entity with a short-term rating of at least 'A-1'; or
- Finds a replacement entity with a short-term rating of least 'A-1' to assume its contractual position.

If any of the conditions cannot be met, the swap counterparty has to post a cash deposit of an amount that is the greater of:

- The market value of the swap;
- The next payment amount due by the swap counterparty; and
- One percent of the notional outstanding.

GIC Account

FonCaixa 6 entered into a GIC agreement with La Caixa, under which La Caixa guaranteed a rate of interest equal to the reference rate of the notes. The interest rate is reset quarterly. Interest is paid monthly into the account and is calculated on all the collections deposited in the GIC account.

In the event of a lowering of the short-term rating on La Caixa to below 'A-1', the sociedad gestora takes the following measures within 30 days:

- If La Caixa is downgraded to 'A-2' (but not below), the sociedad gestora seeks to obtain a guarantee from another entity with a minimum short-term debt rating of 'A-1'; or
- If this measure is not taken, or if the downgrade is below 'A-2', then the sociedad gestora has to transfer the account, under the most favorable conditions, to an entity with a minimum short-term rating of 'A-1'.

Collateral Description

The pool consists of 8,161 mortgage loans. Each loan is backed by an individual first-lien mortgage, which is fully amortizing and secured by a residential, owner-occupied property in Spain.

The securitized loans are the first drawdown made under the "*crédito abierto*" (open credit) mortgage product. The *crédito abierto* is a relatively new product in the Spanish market, and consists of a credit facility with a maximum LTV ratio of 80%, which can be drawn several times up to its initial limit. The *crédito abierto* has as security the residential property purchased. Subsequent redraws are also secured on the property, but can be made only once the LTV ratio of the original mortgage loan is less than or equal to 70%. Key features of the provisional pool are shown in table 1.

Outstanding balance (Mil. €)	654.76
Number of loans	8,161
Weighted-average current LTV ratio (%)	68.36
Weighted-average original LTV ratio (%)	74.06
Weighted-average seasoning (months)	11.8
Final maturity date	2032

The pool consists of floating-rate mortgage loans, mainly indexed to EURIBOR/MIBOR (Madrid Interbank Offered Rate). The remaining 37% are indexed to IRPH (Indice de Referencia de Préstamos Hipotecarios). Mortgage loans in this pool have a weighted-average margin over the floating rate of 65 bps (basis points).

The pool is diversified across the regions of Spain, but there is some concentration in Catalonia (34.67%), Madrid (24.24%), and Andalucia (18.00%).

The pool has no current outstanding arrears.

Surveillance Details

Continual surveillance is maintained on the transaction until the notes mature or are otherwise retired. To do this, regular servicer reports detailing the performance of the underlying collateral are analyzed, supporting ratings are monitored, and regular contact is made with the servicer to ensure that minimum servicing standards are being sustained and that any material changes in the servicer's operations are communicated and assessed.

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