Rating Report

Report Date:
28 June, 2011

Insight beyond the rating.

Foncaixa Empresas 3, F.T.A.

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Ratings

Debt Rated	Amount	Coupon	Ratings
Series A1	€ 300,000,000	Euribor 3 month + 0.80%	AAA (sf)
Series A2	€ 820,000,000	Euribor 3 month + 1.00%	AAA (sf)
Series B	€ 280,000,000	Euribor 3 month + 2.00%	NR

Transaction Parties and Relevant Dates

Issuer	Foncaixa Empresas 3, F.T.A.
Originator and Servicer	Caixa d’Estalvis i Pensions de Barcelona (“la Caixa”)
Lead Managers	Caixa d’Estalvis i Pensions de Barcelona and GestiCaixa, S.G.F.T., S.A. (“GestiCaixa”)
Subscription Entity	Caixa d’Estalvis i Pensions de Barcelona
Paying Agent	Caixa d’Estalvis i Pensions de Barcelona
Treasury Account Provider	Caixa d’Estalvis i Pensions de Barcelona
Registration Date	24 March 2011
Disbursement Date	29 March 2011
First Payment Date	26 July 2011
Payment Dates	Quarterly, the 25th day of January, April, July & October
Legal Final Maturity	25 October 2048

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Executive Summary

Foncaixa Empresas 3, F.T.A. is a bankruptcy remote vehicle incorporated in accordance with Spanish legislation as Fondo de Titulización de Activos (the "Fund") for the purpose of the issuance of asset-backed securities and the acquisition of the mortgage and non-mortgage loans granted to Spanish enterprises and to small and medium enterprises ("SME Loans"). The SPV has initially issued three series of asset-backed notes to finance the purchase of the SME loans (at par). Interest income received by the Fund will be distributed quarterly, on the Payment Date, according to the Priority of Payments.

DBRS ratings of the Foncaixa Empresas 3, F.T.A. Notes are listed on Page 1. This securitisation has been structured as a public transaction with Class A (Series A1 and Series A2) Notes and Series B Notes (the "Notes"). The Class A Notes are senior and supported by 30.55% subordination provided by the aggregate balance of the Series B Notes and the Reserve Fund. The initial level of the Reserve Fund is equal to 10.55% of the initial aggregate notional balance of the Notes.

DBRS based the rating primarily on:
- an evaluation of the underlying portfolio of SME loans;
- the historical performance information and internal ratings information provided by the Originator;
- an evaluation of the operational capabilities of the Originator and Servicer;
- the credit enhancement provided through the Reserve Fund and the Series B Notes;
- the structure of the Priority of Payments; and
- the legal and structural integrity of the transaction.

Collateral Summary*

Type	Primarily SME Loans
Principal Not In-Arrears (€)	1,399,567,972
Principal In-Arrears (€)	432,027
Number of Loans	12,641
Avg. Outstanding Loan Size (€)	110,717
Number of Borrowers	9,653
Origination Dates	March 1997 – January 2011
Delinquent Percentage	3.15%
Average Outstanding Loan Size (€)	110,717
Maximum Loan Maturity	1 April 2045
Maximum Industry Concentration**	17.2%

* *as of 25 March 2011.*
*** using the major CNAE rating categories A through U*

Rating Consideration

Strengths
- The Series B Notes and the Reserve Fund provide 30.55% credit enhancement to the Class A Notes;
- Static transaction
- The Reserve Fund is fully funded on the Closing Date and cannot be reduced during the first three years;
- Under the Interest Rate Swap Agreement the Originator will pay the Issuer the weighted average coupon on the liabilities plus 75bps per annum;
- La Caixa is one of the largest financial institutions in Spain with a strong market position throughout the country, with a high concentration of business in Catalonia.
- The maximum exposure to an individual industry sector, as defined using the CNAE classifications, is 17.2%.

Challenges
- Approximately 27.9% of the portfolio is directly exposed to the construction and real estate sectors;
- The top 20 borrowers represent approximately 20.8% of the portfolio's initial aggregate principal balance;

- Geographic concentration to obligors in Madrid and Catalonia with approximately 26.3% and 23.1% of the portfolio respectively;
- Approximately 54.3% of the SME portfolio is supported by mortgaged collateral with the remaining 45.7% supported by personal guarantees or other types of collateral;
- 17.5% of the portfolio is currently under a principal grace period;
- The difficult economic conditions in Spain.

Mitigating Factors

- The swap agreement has DBRS rating trigger set at A level which, if breached, require la Caixa to remedy the situation by either: i) posting acceptable collateral, ii) getting a guarantee from a financial institution that has a DBRS rating of at least A, or iii) arranging for its replacement by a financial institution that has a DBRS rating of at least A.
- The Cash Reserve Account is available to pay interest on the Class A and Class B Notes and to cover losses from the portfolio. If the Reserve Fund falls below the required level, excess interest is retained to be used for the Class A Notes;
- DBRS maintains either public ratings or private internal assessments to evaluate and monitor the potential risk that counterparties pose to the performance of the Class A Notes. As of the closing of the transaction, all participants either meet or exceed DBRS counterparty requirements, which are publicly available in the published legal criteria referenced at the end of this report.

Reserve Fund

At closing, there will be a Reserve Fund balance of €147,700,000 or 10.55% of the initial Notes balance, as a guarantee mechanism in the event of losses due to defaulted or unpaid credit rights. The Reserve Fund will be funded, at closing, through the Subordinated Loan provided by the Originator.

The Reserve Fund will not be reduced as long as any of the following conditions are met:

i. during the first three years;
ii. if on the previous payment date the Reserve Fund was not replenished up to the minimum required level; and
iii. when the 90 days past due assets exceed 1% of the portfolio outstanding balance.

The Reserve Fund will not amortise below €73,850,000, until the final maturity of the transaction.

Priority of Payments

From the Prospectus:

The Available Funds shall be allocated on each Payment Date as follows:

1. Payment of taxes and senior expenses;
2. Payment to the swap counterparty in the case of a termination event caused by the SPV;
3. Payment of interest accrued on the Class A Notes (Series A1 and Series A2) (pro rata);
4. Payment of interest accrued on the Series B Notes unless: i) the aggregated outstanding balance of defaulted assets is greater than 10% of initial issuance and ii) the Class A Notes have not been fully repaid;
5. Payments of principal distributed sequentially to the Series. First, to the Series A1 Notes until paid in full, then to the Series A2 Notes, followed by the payment to the Series B Notes. However, the principal distribution can switch to pro rata and pari passu on all or some of the Series, if certain conditions are met;
6. Payment of interest accrued on the Series B Notes when the conditions described in item (4) above are not met;
7. Retention of the Available Funds to maintain the minimum required level of the Reserve Fund;
8. Payment of interest on the Subordinated Loan to the Reserve Fund;
9. Payment to the swap counterparty in the case of a termination event cause by the swap counterparty;
10. Payment of interest and principal of the Subordinated Loan for set up expenses;
11. Payment of the Servicer commission;
12. Payment of principal of the Subordinated Loan to the Reserve Fund;
13. Payment of the Financial Intermediation Margin to the Originator.

Liquidation Order of Priority of Payment:

1. Payment of the final and liquidation expenses;
2. Payment of taxes and senior expenses;
3. Payment to swap counterparty in the case of the termination event is caused by the SPV;
4. Payment of interest on Series A1 Notes and Series A2 Notes (pro rata);
5. Payment of principal on Series A1 Notes and Series A2 Notes (pro rata);
6. Payment of interest on Series B Notes;
7. Payment of principal on Series B Notes;
8. Payment of interest of the Subordinated Loan to the Reserve Fund;
9. Payment to swap counterparty in the case of the termination event caused by the swap counterparty;
10. Payment of interest and principal of the Subordinated Loan for set up expenses;
11. Payment of the Servicer commission;
12. Payment of principal of the Subordinated Loan to the Reserve Fund;
13. Payment of the Financial Intermediation Margin to the Originator.

Transaction Early Amortisation

(i) When the outstanding balance of the assets is less than 10% of the initial balance (clean-up call);
(ii) Bankruptcy or other financial imbalance of the SPV;
(iii) If the Management company is declared bankrupt and a substitute is not appointed within 4 months;
(iv) When there is a non-payment indicating a serious and permanent imbalance of the SPV;
(v) The next payment date 36 months after the last asset maturity date or six months before the Final Legal Maturity date of the SPV.

Once an early liquidation event occurs, the management company will liquidate all the assets in the portfolio and apply all the proceeds in accordance with the liquidation order of Priority of Payments described above.

Detailed Collateral Analysis

Portfolio Distribution - Fixed Coupon versus Floating

	Number of Loans	Portfolio Balance (€)	Percentage of Balance	WA Spread	WA Fixed Rate
Floating	9,870	1,254,245,436	89.6%	1.49%	N/A
Fixed	2,771	145,322,536	10.4%	N/A	5.28%
Total	**12,641**	**1,399,567,972**	100.0%		

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Portfolio Distribution – Borrower Location

Name	Number of Loans	Portfolio Notional (€)	Percentage of Portfolio Notional
Madrid	3,208	368,378,462	26.3%
Catalonia	2,896	323,839,627	23.1%
Andalusia	1,552	145,987,909	10.4%
Balearic Islands	659	118,067,286	8.4%
Valencian Community	1,113	94,587,649	6.8%
Galicia	511	66,001,350	4.7%
Basque Country	492	51,048,524	3.6%
Castilla-La Mancha	371	48,300,590	3.5%
Canary Islands	355	45,914,904	3.3%
Castile and Leon	380	31,340,386	2.2%
All Other Regions	*1,104*	*106,101,285*	*7.6%*
Totals	**12,641**	**1,399,567,972**	**100.0%**

Portfolio Distribution – Borrower Industry Sector Classification

Sector of Borrower Based on Major CNAE Classifications A through U	Number of Loans	Portfolio Notional (€)	Percentage of Portfolio Notional
Real Estate	1,326	240,172,583	17.2%
Hotels & Food Service	1,236	202,196,451	14.4%
Manufacturing	1,321	202,087,895	14.4%
Wholesale and Retail	2,660	188,649,621	13.5%
Construction	1,803	149,775,116	10.7%
Agriculture	548	79,203,118	5.7%
Prof, Sci., & Tech Services	954	75,788,386	5.4%
Communications & IT	799	56,201,590	4.0%
Utilities	92	41,755,077	3.0%
Goods Transportation	432	36,642,022	2.6%
All Other Industry Groups	*1,470*	*127,096,114*	*9.1%*
Totals	**12,641**	**1,399,567,972**	**100.0%**

Portfolio Borrowers – Twenty Largest Borrowers with Location and Industry

Borrower Ranking	Loan Balance (€)	Location	CNAE Classifications
1	30,000,000	Madrid	Real Estate
2	30,000,000	Galicia	Manufacturing
3	26,250,000	Balearic Islands	Hotels & Food Service
4	22,500,000	Balearic Islands	Hotels & Food Service
5	20,899,000	Castilla-La Mancha	Agriculture
6	20,000,000	Madrid	Construction
7	15,512,845	Madrid	Utilities
8	15,000,000	Catalonia	Manufacturing
9	15,000,000	Madrid	Construction
10	14,726,250	Andalusia	Hotels & Food Service
11	13,270,833	Andalusia	Hotels & Food Service
12	10,515,000	Madrid	Mining & Quarrying
13	10,000,000	Aragon	Real Estate
14	8,818,333	Balearic Islands	Hotels & Food Service
15	7,370,805	Valencian Community	Real Estate
16	7,131,250	Madrid	Hotels & Food Service
17	6,811,526	Catalonia	Construction
18	6,000,000	Andalusia	Real Estate
19	6,000,000	Catalonia	Manufacturing
20	5,750,000	Catalonia	Utilities
Total	**291,555,843**		

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Originator and Servicer

Caixa D'Estalvis i Pensions de Barcelona ("la Caixa" or the "Company") is one of the largest Caja de Ahorros and one of the most important financial institutions in Spain with market share on products and services approximately equal to 10%. As of the 4th quarter of 2010, the Company reported:

- Total assets of €285,724 million;
- 10.5 million in retail customers;
- Pre-tax income of €1,756 million (compared to €2,131 million in 2009);
- NPL ratio of 3.71% (compared to 3.42% in 2009).

As part of the reorganization of the Spanish Caja de Ahorros, la Caixa has proposed that it reorganise itself into a holding company and a new bank, to be called CaixaBank, which will hold all the derivative contracts, etc. CaixaBank will be formed out of Criteria CaixaCorp, which is an existing subsidiary of la Caixa. CaixaBank will be a publicly listed entity.

Under the proposed organizational structure, la Caixa will be a holding company and will own:
- 81.1% of the new bank, CaixaBank; and
- 100% of a new, unlisted entity which will house the real estate and industrial investments.

Counterparty Risk

DBRS evaluates the potential credit impact on DBRS ratings based on the performance of counterparties that that face issuers in the capacity of derivative counterparties, account banks, custodian, or other roles. To satisfy DBRS that the failure of such counterparties has minimal impact on DBRS ratings, each counterparty is required satisfy minimum rating, collateral posting or other requirements as outlined in the current publicly available DBRS European legal criteria. For this transaction, each counterparty satisfies such criteria, based upon DBRS public ratings or DBRS private internal assessments of the creditworthiness of counterparties that do not have a public DBRS rating.

Counterparty Name	Role	Minimum Rating	Actual Rating
la Caixa	Swap counterparty	A	Private internal assessment by DBRS is at least A
la Caixa	Account Bank Amortisation Account	BBB (high) or R-1 (low)	Private internal assessment by DBRS that is at least BBB (high) or R-1 (low)

DBRS Analysis

Based on the analyzed portfolio and its characteristics, as well as the Originator's historic default performance, DBRS used its Large Pool Default Model to project a default rate at the AAA stress level. A break even default rate on the rated Series was determined by using the DBRS CDO Cash Flow Model. The minimum break even default rate is determined over 9 combinations of default timing and interest rate stresses.

Average Annualised Default Rate

- The average annualised default rate is determined from the historical data supplied by the Originator.
- As this is a static transaction, the age or seasoning of the loans in the portfolio can be considered as DBRS has found that, ceteris paribus, the longer a loan has been in good standing, the less likely it is to default, especially when the loan has scheduled amortisations. This analysis was carried out on la Caixa's historical performance:

Guarantee Type	**Portfolio Perc. < 1 Year**	**Portfolio Perc. > 1 Yr, < 2 Yrs**	**Portfolio Perc. > 2 Years**
Mortgage	19.72%	12.93%	20.48%
Other	30.75%	11.46%	4.65%

Guarantee Type	**Overall Default Rate**	**1 Yr Seasoned Default Rate**	**2 Yr Seasoned Default Rate**	**Recovery Rate**
Mortgage	1.55%	1.24%	0.89%	32.0%
Other	1.69%	1.38%	0.89%	22.0%

- According to the data above:
  - the WA default rate is 1.37% and
  - the WA recovery rate is 27.31%

Correlation

Based on the Master European Granular Corporate Securitsations (SME CLOs) methodology, the correlation can be selected from a range representing low to high (20% to 24%) asset correlation for a given target rating. For this transaction, the mid-correlation of 22% was used.

Overall Rating Parameter Inputs

The inputs and results for the base and stressed cases are below:

Assumptions for Series A1 and Series A2 Notes	
Assumed 1 Year Default Rate	1.37%
Weighted Average Life of Portfolio(Years)	5.94
Lifetime Default Rate	45.14%
Recovery Rate Used	27.31%
Recovery Delay (years)	1

	Rated Notes	
	Series A1	**Series A2**
Lifetime Default Rate	45.14%	45.14%
Minimum Break Even Rate	50.56%	45.26%
Cushion	**5.42%**	**0.12%**

Given the results of the break even default rate analysis, the Series A1 and Series A2 Notes can withstand a higher default level than the level required for AAA (sf) ratings. Therefore, we were able to assign AAA ratings.

Rating Sensitivities and Monitoring

The ratings of the Series A1 and Series A2 Notes depend on the portfolio performance and counterparty's rating. The main triggers that DBRS will rely on for monitoring are:

- the maintenance of the Reserve Fund at the minimum required level;
- the default level and recovery levels; and
- any event of default by the Issuer or the counterparty.

DBRS will monitor the transaction on an ongoing basis to ensure that it continues to perform as expected. Any subsequent changes in the rating will be publicly announced.

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DBRS Rating Methodologies Applied

The following are the primary methodologies DBRS applied to assign a rating to the above referenced transaction, which can be found on www.dbrs.com under the heading Methodologies. Alternatively, please contact info@dbrs.com, or contact the primary analysts whose contact information is listed in this report.

1. Master European Granular Corporate Securitsations (SME CLOs), September 2010;
2. Legal Criteria for European Structured Finance Transactions, August 2010.

Note:
All figures are in Euros unless otherwise noted.