

Fitch Upgrades 2 and affirms 2 tranches of FTPYME BANCAJA 2, Fondo De Titulizacion De Activos' Notes

Fitch Ratings—London—21 December 2005: Fitch Ratings has today affirmed the ratings of FTPYME BANCAJA 2, FONDO DE TITULIZACION DE ACTIVOS' ("FTPYME BANCAJA 2") notes due January 2030 (as indicated below), following a satisfactory performance review.

EUR142,700,000 Class A2 (ES0339751010): 'AAA'

EUR199,500,000 Class A3(G) (ES0339751028): 'AAA'

EUR32,000,000 Class B (ES0339751036): upgrade from 'A' to 'A+'

EUR11,800,000 Class C (ES0339751044): upgrade from 'BBB' to 'BBB+'

FTPYME BANCAJA 2 notes represent a cash flow securitisation of EUR500 million loans to small and medium-sized Spanish enterprises ("SMEs") granted by Caja de Ahorros de Valencia Castellon y Alicante ("Bancaja" rated 'A+'/'F1'). The Class A3 (G) notes are backed by a guarantee from the Kingdom of Spain (rated 'AAA'/'F1+').

FTPYME Bancaja 2 is a special-purpose vehicle incorporated under the laws of Spain with limited liability. Its sole purpose is to acquire a portfolio of loans from Bancaja as collateral for the issuance of fixed income securities. The assets of FTPYME Bancaja 2 were subscribed to by Europea de Titulizacion S.G.F.T., S.A. ("the Sociedad Gestora"). The Sociedad Gestora is a special-purpose management company with limited liability, incorporated under the laws of Spain.

In Fitch's review, the total amount of outstanding delinquencies of more than 90 days is 1.06%% and 1.00%% represent arrears over 180 days. The credit enhancement has increased due to the amortization of the notes in line with the amortization of the collateral.

The ratings are based upon the quality of the collateral, available credit enhancement, the priority of payments, adequate underwriting and servicing of the loans, the Sociedad Gestora's administrative capabilities, the guarantee from the Kingdom of Spain, and the sound financial and legal structure of the transaction.

The portfolio is currently composed of 2,503 loans, consisting of mortgages (both first and second-ranking), as well as loans secured with guarantees and private backing. In terms of geographic concentration, the loans are mainly to obligors in Valencia (61.41%) and the largest industry is real estate (31.15%). The average constant prepayment rate "CPR" is 10.95%.

Further deal information and historical performance data for this transaction are available on Fitch's subscription website at www.fitchresearch.com.

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