

FITCH UPGRADES FTPYME BANCAJA 3'S CLASS B NOTES TO 'AAA'

Fitch Ratings-London-07 November 2006: Fitch has today upgraded FTPYME BANCAJA 3, FONDO DE TITULIZACION DE ACTIVOS's ("FTPYME BANCAJA 3") Class B notes due December 2037 and affirmed the others as indicated below, following a satisfactory performance review.

EUR182,298,849 Class A2 affirmed at 'AAA'
EUR153,900,000 Class A3(G) affirmed at 'AAA'
EUR28,900,000 Class B upgraded to 'AAA' from 'AA+'
EUR17,600,000 Class C affirmed at 'BBB+'
EUR7,200,000 Class D affirmed at 'BBB-' (BBB minus)

FTPYME BANCAJA 3 notes represent a cash flow securitisation of 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+').

The rating actions reflect the deal's stable performance to date, low delinquency levels and sufficient credit enhancement. In Fitch's review, the total amount of outstanding delinquencies is 4.4% of the outstanding portfolio, of which only 0.92% are payments in arrears for more than 90 days and only 0.65% represent arrears over 180 days. Furthermore, no rating triggers on transaction counterparties have been hit. The credit enhancement has increased due to the amortization of the notes in line with the amortization of the collateral, hence leading to the upgrade of the Class B notes.

The portfolio is currently composed of 1,625 loans. In terms of geographic concentration, the loans are mainly to obligors in Valencia (55.97%) and the largest industry is real estate (39.33%).

FTPYME Bancaja 3 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 3 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.

More details on the fund's structure, counterparties involved and functioning are presented in the New Issue report, available on the agency's public website, www.derivativefitch.com.

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