

Fitch Affirms FTPYME Bancaja 3's Notes

Fitch Ratings - London- 13 November 2007: Fitch Ratings has today affirmed the ratings of the notes issued by FTPYME BANCAJA 3, FONDO DE TITULIZACION DE ACTIVOS's ("FTPYME Bancaja 3") as follows:

EUR57,512,016 Class A2 affirmed at 'AAA'
EUR153,900,000 Class A3(G) affirmed at 'AAA'
EUR17,123,285 Class B affirmed at 'AAA'
EUR27,671,356 Class C affirmed at 'BBB+'
EUR10,428,086 Class D affirmed at 'BBB-' (BBB minus)

While the portfolio's high obligor concentration and exposure to the Spanish real estate market were noted as issues of potential concern, the transaction's performance is in line with expectations. Due to amortisation of the notes in line with the portfolio, the credit enhancement levels have increased and are sufficient to support the current ratings. Currently, the Series A2 notes have amortised to 16% of the original balance

While credit enhancement levels have increased, this has been offset by increasing delinquency levels and higher obligor concentration. According to the September 2007 trustee report, delinquencies of over 180 days have increased since last review and remained high at 1.48% of the original balance. Delinquencies of more than 90 days have increased since last review to a level of 1.64%. Defaulted assets were at 0.31% of the original pool. The delinquency levels were calculated using Derivative Fitch methodology for SME CDO transactions. This calculation involves the addition of default levels to delinquencies of more than 90 and 180 days.

As of the September 2007 trustee report, the portfolio is currently composed of 1258 loans. In terms of geographic concentration, the loans are mainly to obligors in Valencia (58.89%) and the largest industry is real estate (38.68%).

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 subscription CDO S.M.A.R.T. website at www.derivativefitch.com.

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