Fitch Ratings — Structured Finance

Credit Products/Spain
New Issue

FTPYME BANCAJA 4, FONDO DE TITULIZACIÓN DE ACTIVOS

Ratings

Class	Amount (EURm)	Legal Final Maturity	Rating	CE (%)[3]
A1	842.3	July 2038	AAA	9.61
A2	300.0	July 2038	AAA	9.61
A3(G)[1]	237.6	July 2038	AAA	9.61
B	71.3	July 2038	A	4.85
C	23.3	July 2038	BBB+	3.30
D	25.5	July 2038	BB-	1.60
E[2]	24.0	July 2038	CCC-	n.a.

[1] The Kingdom of Spain (rated 'AAA/F1+') will guarantee the ultimate payment of interest and principal on the Class A3 (G) notes.

[2] Un collateralised notes issued to finance the creation of the reserve fund at closing.

[3] These Credit Enhancement ("CE") levels take into account a weighted average excess spread of -7.5bps payable under the swap agreements. See *Swap Agreements.*

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Summary

This transaction is a cash flow securitisation of a EUR1.5 billion static pool of loans ("the collateral") granted by Caja de Ahorros de Valencia Castellón y Alicante ("Bancaja" or "the originator", rated 'A+/F1') to small and medium-sized Spanish enterprises ("SMEs"). Fitch Ratings has assigned ratings to the notes ("the notes") issued by FTPYME Bancaja 4 ("the issuer") as indicated at left. The Kingdom of Spain (rated 'AAA/F1+', "the guarantor") will guarantee the ultimate payment of interest and principal on the Class A3 (G) notes.

This is the fifth SME loan securitisation transaction to be brought to the market by Bancaja and shares similar structural features and characteristics as the originator's previous SME loan securitisations rated by Fitch in October 2004 and August 2005 (see reports "*FTPYME Bancaja 3, FTA*" and "*CM BANCAJA 1, FTA*" respectively available at www.fitchratings.com). The issuer will be legally represented and managed by Europea de Titulización SGFT, SA ("the *Sociedad Gestora*"), a special-purpose management company with limited liability incorporated under the laws of Spain.

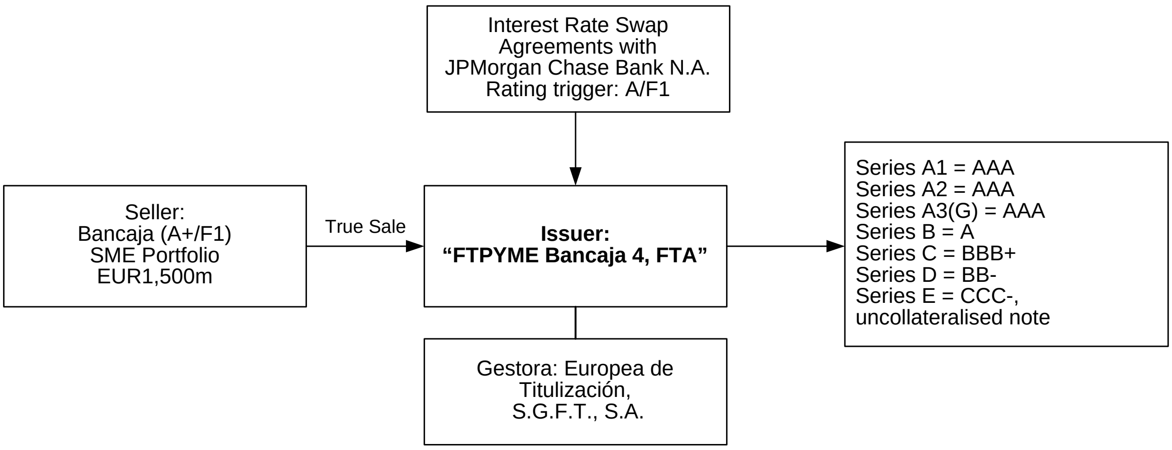
The ratings are based on the quality of the collateral, the available credit enhancement ("CE"), the financial structure of the deal, the underwriting and servicing of the collateral, and the *Sociedad Gestora*'s administrative capabilities.

The ratings address payment of interest on the notes according to the terms and conditions of the documentation, subject to a deferral trigger for the Class B, Class C and Class D notes, as well as the repayment of principal at legal maturity. The rating on the Class E notes is supported by the recovery rate that noteholders are expected to receive during the life of the transaction, which has been calculated on the basis of principal and accrued interest amounts as a proportion of the original Class E notes balance.

Credit Committee Highlights

- The Class E notes have been issued to finance the creation of the reserve fund (see *Reserve Fund*) at closing. The good performance of the Class E notes requires very favourable conditions for the collateral backing the Class A to D notes. As Class E is likely to default, Fitch conducted a sensitivity analysis using its cash flow model to stress the variables that affect the cash available to pay down the Class E notes and, in turn, to calculate their expected recovery rate based on the present value of interest and principal payments. See *Credit Analysis*.

Structure Diagram



Source: Transaction documents

- The composition of the collateral is similar to the previous deals originated by Bancaja. Although the collateral is granular at the obligor level, the proportion of secured loans is much lower than the previous two Bancaja FTPYME deals – as illustrated by the table below.

- As roughly 60.7% of the secured collateral in this transaction is linked to first-ranking commercial real estate assets (excluding land), Fitch's credit analysis combined elements of the collateralised debt obligations ("CDO") approach that it uses to rate Spanish SME CDO transactions with elements of its commercial mortgage-backed securities ("CMBS") approach. See *Credit Analysis*.

- The interest rate hedging mechanisms in place mitigate the basis and reset frequency mismatch between the collateral and the notes. For example, while the main reference index for the collateral is 12-month EURIBOR (European Interbank Offered Rate), which generally resets on a quarterly or annual basis, the notes will pay three-month EURIBOR which is determined every quarter. However, these hedging solutions are not mitigating the payment frequency risk that exists as 2.4% of the collateral pays on a semi-annual basis, while the issued notes will pay quarterly. See *Swap Agreements.*

- The 'AAA' rating on the Class A3(G) notes reflects the low probability of the guarantor defaulting simultaneously with a large proportion of the underlying collateral. The rating did not take into account the benefit of the Kingdom of Spain guarantee, and is therefore de-linked from the credit quality of the guarantor. See *Guarantee.*

FTPYME Bancaja 4, 3 & 2 Deals

	FTPYME Bancaja 4	FTPYME Bancaja 3	FTPYME Bancaja 2
No. of Loans	4,277	2,801	3,608
Loans Secured by 1st ranking Mortgages excluding land (%)	25.4	74	69
Largest 10 Obligors (%)	7.3	7.2	3.2
Concentration in the Region of Valencia (%)	51	60	62
Notes Issued at Closing (EURm)	1,500	900	500
Weighted Average Life (no Prepayments) at Closing (years)	4.2	4.0	4.9

Source: Fitch

Structure

The issuer is a limited-liability special-purpose vehicle incorporated under the laws of Spain, whose sole purpose is to acquire credit rights from Bancaja as collateral for the issuance of floating-income, amortising and quarterly paying securities.

In the structure, Bancaja acts, *inter alia*, as the servicer of the collateral, the account bank, and the paying agent. However, for the protection of investors, if Bancaja is unable to continue to administer the collateral, the *Sociedad Gestora* must appoint a replacement administration company, in accordance with the Spanish securitisation law.

Interest and principal collections are dealt with jointly through the combined priority of payments described below. A treasury account will be held in the name of the issuer at Bancaja in which all the funds received from the collateral will be deposited after 7 days. The amounts credited to this account will receive a guaranteed interest rate of three-month EURIBOR.

Key Information

Portfolio Characteristics
As of 30 September 2005

Number and Type of Loans: 4,277 loans to SMEs in Spain, of which 25.4% by volume is secured on commercial (excluding land) and residential real estate assets

Total Amount: EUR1,595m

Structure

Issuer: FTPYME Bancaja 4, FTA

Total Amount: EUR1,500m

Management Company: Europea de Titulización SGFT, SA

Originator: Caja de Ahorros de Valencia Castellón y Alicante ("Bancaja"), rated 'A+(A plus)/F1'

Structurer: Bancaja, Europea de Titulización SGFT, SA.

Paying Agent: Bancaja

Swap Counterparty: JPMorgan Chase Bank, N.A., rated 'A+(A plus)/F1+(F1 plus)'

Treasury Account (GIC account): Bancaja

Scheduled Final Maturity: 24 July 2035

Final Legal Maturity: 24 July 2038

With regard to this account, if Bancaja's Short-term rating is downgraded below 'F1', the *Sociedad Gestora* will be required to take one of the following steps within 30 days:

1. find a third party rated at least 'F1' to guarantee Bancaja's obligations; or
2. transfer the treasury account to another entity rated at least 'F1'; or
3. if unable to effect either of the above, provide a guarantee in the form of financial assets rated at least on a par with the Kingdom of Spain ('AAA/F1+'); or
4. if unable to effect either of the above, the *Sociedad Gestora* may also invest the balance of the treasury account temporarily, and until the next payment date, in fixed-income assets rated at least:
   - 'F1' for investments maturing within 30 calendar days; or
   - 'F1+' if the investment has a maturity of more than 30 calendar days but fewer than 364.

Priority of Payments

On each quarterly payment date commencing in January 2006, the combined ordinary priority of payments will be as follows:

1. expenses, taxes, and servicing fees;
2. payment under the swap agreement (if applicable);
3. Class A1, A2 and A3(G) interest *pari passu*, and reimbursement to the state of any amount drawn under the guarantee from the Kingdom of Spain to cover interest on the A3 (G) notes;
4. Class B interest (if not deferred);
5. Class C interest (if not deferred);
6. Class D interest (if not deferred);
7. principal in order of seniority excluding the Class E notes (see *Amortisation of the Notes)*;
8. Class B interest if deferred, which will occur if the Principal Deficiency Ledger ("PDL") exceeds 85% of the outstanding balance of these notes, plus 100% of the combined Class C and D notes outstanding balances;
9. Class C interest if deferred, which will occur if the PDL exceeds 85% of the outstanding balance of these notes, plus 100% of the Class D notes outstanding balance;
10. Class D interest if deferred, which will occur if the PDL exceeds 85% of the outstanding balance of these notes;
11. reserve fund top-up if required (see *Reserve Fund*);
12. Class E interest;
13. Class E principal;
14. other subordinated amounts including reimbursement and remuneration of the subordinated loan to cover the initial expenses.

A PDL is defined on every payment date as the difference between the balance outstanding on the A to D notes, and the outstanding balance of non-defaulted loans (i.e. those that are less than 18 months in arrears).

The structure will cover ordinary and extraordinary expenses using excess spread generated by the collateral. Initial expenses will be covered via a subordinated loan agreement granted to the issuer by Bancaja before closing.

Amortisation of the Notes

Principal due on the Class A to D notes on any payment date will be capped at the difference between the balance outstanding on these notes and the balance of the non-defaulted collateral. It will be paid, subject to the availability of funds, according to the priority of payments.

The first payment date on the notes will be in January 2006 and quarterly thereafter. All classes will amortise sequentially on a pass-through basis after the Class A1 notes have been redeemed in full. However, when the ratio of the performing loan balance (loans less than 90 days in arrears) plus the amount of principal collections credited to the treasury account during the last collection period, divided by the sum of the current balance of the Class A1, A2 and A3(G) notes is below 1, the outstanding balances of the A1, A2 and A3(G) notes will amortise *pro rata.*

In addition, the outstanding balances of the B, C and D notes may amortise *pro rata* with the Class A notes once the B, C and D tranches represent 9.50%, 3.10% and 3.40%, respectively, of the outstanding balance of all the Class A to D notes. This will be subject to:

- the delinquency ratio (i.e. loans over 90 days in arrears as a proportion of the outstanding balance of the non-defaulted collateral) being less than 1.25%, 1.00% and 0.75% for the Class B, C and D respectively;
- the reserve fund (see *Reserve Fund*) being at its required level; and
- the outstanding balance of non-defaulted loans exceeding 10% of the original collateral balance.

The Class E notes will only be paid down using monies released from the reserve fund, if any (see *Reserve Fund*). Because the reserve fund is subject to an absolute floor of 0.8% of the original note balance, these funds will only be released to the Class E investors at legal final maturity, or before, if the 10% clean-up call is exercised and sufficient funds are available after redeeming the Classes A to D notes in their entirety.

Call Option

All notes are subject to a clean-up call option in favour of the *Sociedad Gestora* when less than 10% of the initial collateral balance remains outstanding. The clean-up call will only be executed if the then-outstanding balance of the Class A to D notes is redeemed in full. The clean-up call does not guarantee the full or partial redemption of the Class E notes.

Reserve Fund

A reserve fund in an amount equivalent to 1.60% of the original balance of the Class A to D notes has been funded at closing using the proceeds of the Class E notes issuance. Subject to the following conditions, the reserve fund will be permitted to amortise to the greater of: i) 0.8% of the original collateral balance; or ii) 3.20% of the outstanding balance of the Class A to D notes:

- the delinquency ratio remains below 1.0% of non-defaulted collateral;
- on the preceding payment date, the reserve fund was at its required amount.

Swap Agreements

The issuer entered into several hedging agreements with JPMorgan Chase Bank, N.A. (rated ‘A+/F1+’, “the swap counterparty”) to hedge the basis risks arising from the mismatch between the reference indices of the collateral (e.g. 3 and 12-month EURIBOR) and the three-month EURIBOR rate payable on the notes. These agreements will also hedge the re-set frequency mismatch between the collateral (whose rates re-set mostly quarterly and annually) and the quarterly re-set frequency of the notes.

Under the swap agreements, the issuer will pay the swap counterparty a weighted average (“WA”) 3- or 12-month EURIBOR rate based on the distribution of the annual, semi-annual and quarterly re-set dates of the collateral as of the closing date. It will, in return, receive the three-month EURIBOR plus a WA spread of -7.5bps. These rates will be applied to a notional defined as the balance of non-defaulted collateral.

These hedging solutions will not mitigate any margin compression risk on the collateral, and the additional liquidity risk that will be created as 2.4% of the collateral pay less frequently than quarterly. The agency has sized and accommodated these additional stresses within its cash flow model.

If the swap counterparty is downgraded below ‘A/F1’, it will, within 30 days, take one of the following steps:

- find an entity rated at least ‘A/F1’ to guarantee its obligations under the swap agreement; or
- find a replacement counterparty with a Long/Short-term rating of at least ‘A/F1’;
- cash- or security-collateralise its obligations in an amount sufficient to comply with existing Fitch criteria.

The collateral posted should be sufficient to ensure that the potential loss would be virtually zero if the swap counterparty defaulted. For details on the method used to calculate the collateral amount see “*Counterparty Risk in Structured Finance Transactions: Swap Criteria*”, dated 13 September 2004 and available at www.fitchratings.com.

Guarantee

The Kingdom of Spain guarantees the ultimate payment of interest and principal on the Class A3(G) notes under a Ministerial Order until final legal maturity. The amounts paid through the guarantee will be considered an obligation of the issuer. Principal will be repaid to the Kingdom of Spain through the priority of payments, and will rank in the same position as the Class A3(G) interest. No interest is due on the guarantee.

The rating of 'AAA' Fitch has assigned to the Class A3(G) notes is not reliant on the guarantee. Instead, it has been assigned on the basis of the CE that is available to these notes at closing, which should ensure payment of interest and ultimate repayment of principal under a 'AAA' stress environment, according to the documentation.

Collateral

At closing, the final portfolio had an outstanding balance of EUR1.5bn, and consisted of loans selected from a provisional portfolio of 4,277 loans. As of 30 September 2005, the provisional portfolio's main characteristics, in volume terms, were:

1. the top obligor represented 1.1%, the top five 4.1%, and the top ten 7.3%;
2. 25.4% was secured on first-ranking mortgages excluding land – of which approximately 60.7% corresponded to commercial properties, (i.e. office locations or retail outlets);
3. 50.9% was located in the region of Valencia, 12.3% in Cataluña, and 12.1% in Madrid;
4. approximately 51.7% was linked to real estate activities, which can include "buy-to-let" businesses, property management and the real estate marketing of office locations, industrial warehouses, hotels, shopping centres and residential units;
5. WA seasoning was 12 months;
6. the original and current loan-to-value ratios ("LTV") were 66.1% and 62.1%; and
7. the earliest maturity was October 2005 and the latest, May 2035.

Credit Analysis

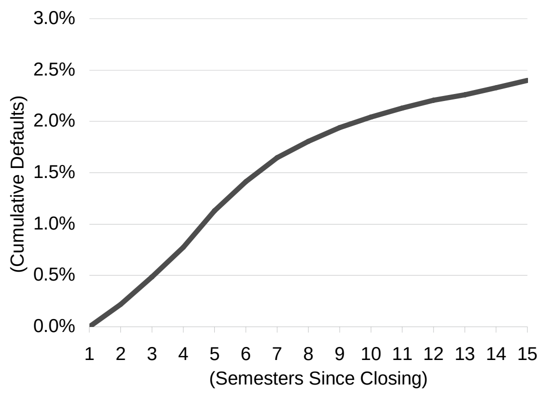
The key sections of Fitch's analysis were the calculation of default probability, mainly derived from vintage data provided by the originator, and the definition of tiered recovery rates. These results were combined with the structural features of the transaction and analysed in a cash flow model. CE levels were sized to ensure that each series of bonds would receive payment of interest and ultimate repayment of principal according to the documentation, under its respective stress scenario.

Since the obligation to repay all the loans lies solely with the borrowers themselves rather than being reliant on the real estate assets or any tenancy agreement linked to the properties that secure the collateral, Fitch based its default probability analysis on the credit quality of the borrowers rather than the income-generating capacity of the underlying properties. As indicated below, the specific characteristics of the commercial and residential properties securing the loans were studied as part of the recovery analysis.

Default Probability

Using default data provided by the originator and dating back to 1999, Fitch was able to derive a WA cumulative base default rate. The agency then applied multiples to this base rate to obtain the default probabilities for the higher rating categories.

FTPYME Bancaja 4 – FTA



Source: Fitch

Based on Fitch's Pan European SME CDO Performance Tracker methodology, the graph above illustrates the expected cumulative base-case level of defaults for this transaction. More information about this methodology is available at www.fitchratings.com.

Recovery Rate

In connection with the estimated recovery rates, Fitch conducted a loan-by-loan analysis of the collateral. Key to the agency's recovery analysis is the estimated stressed value of the assets under the different rating scenarios, which is determined by identifying Market Value Decline ("MVD") ratios for the different property types. MVDs were calculated in accordance with Fitch's standard analytical approach to CMBS, which uses rental value decline ("RVD") indicators and income capitalisation rates for specific property classes.

RVDs are based on historical volatility observations for the real estate market in Europe: the higher the volatility of a particular property type, the lower the potential stressed rent achieved in the future and, therefore, the higher its RVD.

Credit Analysis

(%)	Cumulative WA Default Probability	WA Recovery Rates
AAA	12.0	41.0
A	7.2	47.1
BBB+	5.6	48.4
BB-	3.2	51.6

Source: Fitch

The income capitalisation rate of a property can be expressed as the yield generated in the market by properties with similar features and use (e.g. hotels will normally return a different yield from retail units). More information on Fitch's CMBS methodology can be found in the special report "*European Property Income Model – "The Logic*"" dated 9 June 2004 and available at www.fitchratings.com. The resulting MVDs were calibrated to reflect the geographic concentration of the collateral in this portfolio.

In connection with the loans secured on residential properties, Fitch applied the MVD ratios that are detailed in its criteria report "*Spanish Mortgage Default Model III*" dated 15 September 2005 and available at www.fitchratings.com. Finally, with regards to the unsecured loans, the agency assigned the senior unsecured recovery assumption that is defined by VECTOR for Spanish exposures (see "*Global Rating Criteria for Collateralised Debt Obligations*", dated 13 September 2004 and available at www.fitchratings.com). The final WA recovery rates were calculated by blending those rates of the secured and unsecured sub-portfolios considering their respective sizes in volume terms.

Cash Flow Modelling

Fitch modelled the cash flow mechanics of this transaction using the default probabilities and recovery rates detailed above. The cash flow model assumed that defaults can occur in front- and back-loaded sequences. Although it depends on the specific amortisation profile of the collateral, a back-loaded sequence is generally more stressful, as most of the defaults would peak well into the life of the transaction. Therefore, substantial amounts of excess spread would already have been paid out by the structure before any provisioning mechanism was triggered.

The analysis calculated the cost of carrying defaulted loans as the difference between the performing balance of the collateral and the notional note balance until all the recovery proceeds are collected. Excess spread, the reserve fund and principal collections must be sufficient to cover the carrying cost until all recoveries are received. Interest rates were stressed upwards over time as per the criteria definitions included in the report "*Global Rating Criteria for Collateralised Debt Obligations*", dated 13 September 2004 and available at www.fitchratings.com.

CE analysis also took into account the interest deferral mechanism in place for the Class B, C and D notes, which will redirect funds away from the junior notes and towards the more senior notes if the size of the PDL exceeds the triggers defined for each Class of notes. Should the triggers be hit, interest on the Class B to D notes may not be received for a certain period of time, but will, in any case, be received prior to the maturity date.

In addition, the agency modelled prepayments, which can affect certain components of a transaction. Primarily, they lower the absolute amount of excess spread, which is an important component of the structure's total credit enhancement. On the other hand, since the principal repayment is directed to the senior classes, those notes benefit from higher credit enhancement as a result of the increase in subordination. However, prepayments may also cause adverse selection, as the strongest obligors are likely to be most inclined to prepay, which would leave the pool dominated by weaker obligors as the collateral aged.

Fitch's recovery calculation assumed foreclosure costs to be 10% of the outstanding loan amount; it also assumed a three-year lapse between the date of default and the recovery date.

Class E Notes

Because funds available for the amortisation of the Class E notes will be limited to those released from the reserve fund (if any), the good performance of these notes will be highly dependent on very favourable conditions for the collateral backing the Class A to D notes.

Fitch calculated an expected recovery rate for the Class E notes after testing several cash flow scenarios commensurate with the speculative rating levels. In its sensitivity analysis, it tested several variables that affect the release of the reserve fund, and, consequently, the availability of funds for interest and principal payments on the Class E notes.

The 'CCC-(CCC minus)' rating on the Class E notes is supported by the expected recovery rates. As a default of the Class E notes appears probable, Fitch assessed the distribution of possible recovery rates. These were calculated based on the present value of expected interest and principal payouts on the Class E notes measured as a proportion of the original outstanding notes balance. Based on Fitch's calculation, the expected recovery rates were between 40% and 50%.

Origination and Servicing

Bancaja is the parent bank of Spain's sixth-largest banking group and the third-largest savings bank (by total assets at end-2004). The group's operations are centred in the region of Valencia, where it enjoyed a market share of 25% at end-2004 and where 66% of its 1,300 branches are located. The group is increasingly diversifying its operations outside its home region. Its focus is retail (primarily residential mortgages) and small- to medium sized enterprise (SME) lending, funded largely by deposits. It has also strengthened its real estate and insurance businesses.

Bancaja's centralised credit approval mechanism is implemented through an IT platform that allows credit officers located at the bank's headquarters to reach a decision on any credit application. Nevertheless, approximately 80% of SME loans are still approved at branch level because of the smaller amounts involved. Credit analysis is based on a credit-scoring system Bancaja began developing more than 10 years ago, which uses a scale ranging from A to E (A being the best score). Financial and non-financial information is analysed and input into the credit-scoring system. The rating is reviewed by Bancaja's credit analysts on an annual basis, or more frequently, depending on the nature of the business or the emergence of additional relevant information. Bancaja is currently re-calibrating its rating system to incorporate 10 rating levels and to prepare for compliance with Basel II guidelines.

Bancaja's analytical approach is based on the repayment capacity of the borrower rather than the nature of the securities pledged (if applicable). Customers are grouped into risk units that bring different companies considered to be financially interlinked under a single umbrella. Additional data checks are performed through databases such as CIRBE (a Bank of Spain system that provides information on borrower exposure and non-payment by all Spanish entities and individuals) or RAI (*Registro de Aceptación de Impagados*). Most of the pledged real estate securities are valued by TINSA, Tasaciones Inmobiliarias S.A., Spain's largest valuation company, which is formally registered with and regulated by the Bank of Spain.

Delinquent borrowers are identified through a system of automatic alerts, which branch managers and analysts can receive as often as on a daily basis. Loans in arrears are managed by the branches for the first 60 to 90 days, and are subsequently handled by the risk department. A number of automatically generated letters are sent, their frequency and content depending on the level of Bancaja's exposure to the borrower. Documentation and procedures required for the foreclosure process are prepared as soon as is deemed necessary (usually after 60 days of delinquency) to enable lawyers to start proceedings within 24 hours of a decision to do so.

The legal process can begin at any time and, in any event, no later than 90 days after a missed payment. In Bancaja's experience, the process lasts an average of 12 months for secured loans and 20 months for unsecured loans.

Performance Analytics

Fitch will monitor the transaction on a regular basis and as warranted by events. Its structured finance Performance Analytics ensures that the assigned ratings remain, in the agency's view, an appropriate reflection of the issued notes' credit risk.

Fitch will report the performance of this transaction against the base case default curve outlined in the report "*Pan European SME CDO Performance Tracker*". Along with this new tool, other details of the transaction's performance will be available to subscribers at www.fitchresearch.com. Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing performance.

FTPYME BANCAJA 4, F.T.A. Spain/CDO

Capital Structure

Class	Rating	Size (%)	Size (EURm)	CE (%) [3]	PMT Freq	Final Legal Maturity	Coupon
A1	AAA	56.16	842.3	9.61	Quarterly	24 July 2038	Floating
A2	AAA	20.00	300.0	9.61	Quarterly	24 July 2038	Floating
A3(G) [1]	AAA	15.84	237.6	9.61	Quarterly	24 July 2038	Floating
B	A	4.75	71.3	4.85	Quarterly	24 July 2038	Floating
C	BBB+	1.55	23.3	3.30	Quarterly	24 July 2038	Floating
D	BB-	1.70	25.5	1.60	Quarterly	24 July 2038	Floating
E [2]	CCC-	1.60	24.0	n.a.	Quarterly	24 July 2038	Floating

[1] The Kingdom of Spain (rated 'AAA/F1+') will guarantee the ultimate payment of interest and principal on the Class A3 (G) notes.
[2] Un collateralised notes issued to finance the creation of the reserve fund at closing.
[3] These CE levels are assuming a WA excess spread of -7.5bps payable under the swap agreements. See *Swap Agreements.*

Key Information

Closing Date	10 November 2005	Role	Party (Trigger)
Country of Assets	Spain	Structurer	Bancaja, Europea de Titulización SGFT SA
Structure	Pass through, sequential, pro-rata under certain conditions	Originator/Servicer of the Loans	Bancaja ('F1')
Type of Assets	SME Loans	Issuer	FTPYME BANCAJA 4, F.T.A.
Currency of Assets	EUR	Servicer of the Notes	Europea de Titulización SGFT SA
Currency of Notes	EUR	Paying Agent	Bancaja ('F1')
Primary Analyst	juan.garcia@fitchratings.com	Swap Counterparty	JPMorgan Chase Bank, N.A. ('A/F1')
Secondary Analyst	henry.gallego@fitchratings.com		
Performance Analyst	lidia.rios@fitchratings.com		

Collateral: Pool Characteristics as of 30 September 2005

Current Principal Balance (EUR)	1,595,088,720	Obligors (#)	3,600
Loans (#)	4,277	Top Five Geographic Concentrations (%)[1]	86.9
Current WAL (Zero prepayments, years)	4.2	Top Five Industry Sectors (%)	76.7
WA Coupon	3.2	Backed by First-Ranking Mortgages excluding land (%)	25.4
WA Spread	0.97	WA Current LTV (for Mortgages) (%)	62.1
% Fixed Interest Rate	0.0	Longest Maturity	May 2035
% Floating Rate	100.0	Shortest Maturity	October 2005
Top 5 Obligors (%)*	4.1	WA Seasoning (Months)	12.0
Top 10 Obligors (%)	7.3	WA Time to Maturity (Months)	82.0

* = All percentages as a proportion of outstanding balance. [1] This percentage refers to Autonomous Communities in Spain.
Source: Transaction documents