ABS/Spain
Presale Report

Consumo Bancaja 1, Fondo de Titulización de Activos

Expected Ratings*

Series	Amount (EURm)	Legal Final Maturity	Rating	CE (%)[1]
A	566.1	May 2020	AAA	7.80
B	14.7	May 2020	AA	5.35
C	19.2	May 2020	A-	2.15
D[2]	12.8/13.5	n.a.	CCC	n.a.

[1] CE figures assume the final size of the series D notes is equivalent to 2.15% of the original collateral balance (see *Reserve Fund*).
[2] Uncollateralised notes issued to finance the creation of the reserve fund at closing date.

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* Expected ratings do not reflect final ratings and are based on information provided by the issuer as of 7 June 2006. Final ratings are contingent on final documents conforming to information already received as well as on satisfactory legal opinion. Ratings are not a recommendation to buy, sell or hold any security. The prospectus and other offering material should be reviewed prior to any purchase.

Related Research

The following special reports provide additional detail on Fitch's rating approach to, and the performance of, the ABS market; all are available at www.fitchratings.com:

- *"Kicking the Tyres: An Overview of European Auto ABS (Europe - ABS"*, 24 October 2002
- *"Eye on Europe - The Fitch European Consumer ABS Performance Index 2006 (Vol I)"*, 27 February 2006

■ Summary

This EUR612.9 million transaction is a true sale securitisation of a pool of consumer and auto loans ("the collateral") originated in Spain by Caja de Ahorros de Valencia, Castellón y Alicante ("Bancaja" or "the seller", rated 'A+/F1'). Fitch Ratings has assigned expected ratings to the notes to be issued by Consumo Bancaja 1, FTA ("the issuer", or "SPV") as indicated at left. The issuer will be legally represented and managed by Europea de Titulización S.G.F.T., S.A. ("the *sociedad gestora*"), a limited liability company incorporated under the laws of Spain, whose activities are limited to the management of securitisation funds.

This is the first consumer and auto loan securitisation originated by the seller. Bancaja is an active player in the Spanish securitisation arena, bringing to the market a total of twelve single seller RMBS and MBS transactions and five SME CDOs to date. Details of some of these transactions' performance are available at www.fitchresearch.com.

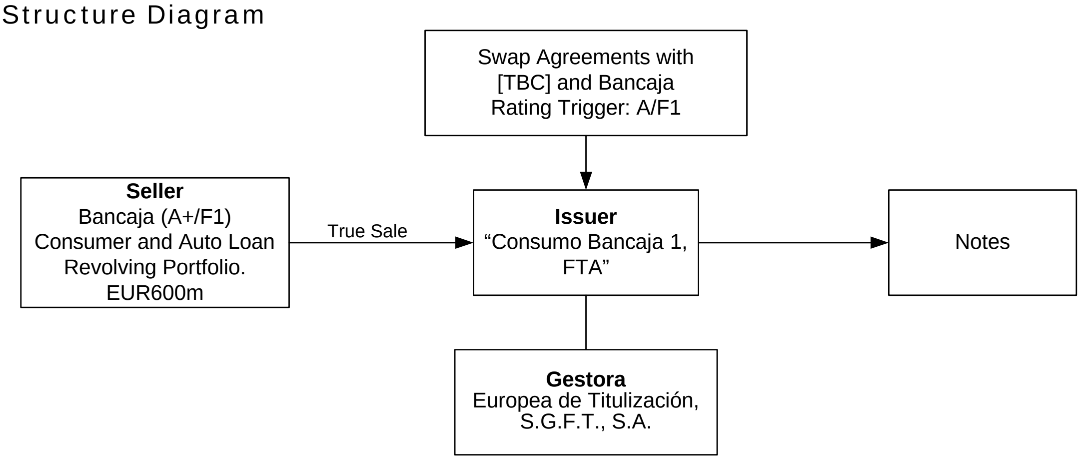
The expected ratings are based on the quality of the collateral, the available credit enhancement ("CE"), Bancaja's underwriting and servicing capabilities, the integrity of the transaction's legal and financial structure, and the *sociedad gestora*'s administrative capabilities. The expected ratings on the series A to C notes address payment of interest on the notes according to the terms and conditions of the documentation, subject to a deferral trigger on the series B and C notes, as well as the repayment of principal by legal final maturity for each note. The series D notes will be issued to finance the cash reserve fund. The series D notes are ultimately likely to default, and their expected ratings are supported by the expected recovery rate for noteholders: that is, the amounts investors are likely to receive during the life of the transaction.

Initial CE for the series A notes will be provided by the subordination of the series B and C notes (5.65%), plus a reserve fund. Similarly, initial CE for the series B notes will be provided by the subordination of the series C notes (3.2%) plus the reserve fund, and initial CE for the series C notes will be formed only by the reserve fund.

■ Credit Committee Highlights

- Fitch has estimated a base case default rate of 2.75% drawn from 180-day delinquency vintage data provided by Bancaja. The agency stressed this rate to account for the relatively benign recent economic environment in Spain, applying multiples for the various rating scenarios. In deriving such base case assumption, the agency considered the risk linked to the geographical concentration within the Valencia region, and also the composition of the collateral, which comprises unsecured loans with different purposes such as the purchase of new vehicles, home refurbishment and consumer spending (see *Credit Analysis* and *Collateral*).

Structure Diagram



Source: Transaction documents

- The transaction has a two-year revolving period after which the notes will amortise sequentially. Breach of certain default and delinquency triggers during the revolving period will lead to early amortisation of the notes. Based on the dynamic and static delinquency data presented by Bancaja, Fitch verified that the performance triggers applicable during the revolving phase should be able to maintain the credit profile and financial quality of the collateral until the beginning of the amortisation phase (see *Early Amortisation Events*).

- Fitch derived a base case for recoveries of 65.0% after analysing the historical data presented by Bancaja since 1999. In Fitch's opinion, and after conducting an operational review with the management teams at Bancaja responsible for the origination and surveillance of consumer portfolios, this superior recovery assumption is supported by the fact that c.80% of the loans is originated through the seller's own branch network and around 75% is granted to existing clients. Moreover, the historical data on cumulative recoveries indicates that the more recent curves (e.g. 2004, 2003) have reached better performance than the older ones, which can also be explained by the improved surveillance and recovery procedures at Bancaja (see *Origination and Servicing*).

- Between 20 and 40% of the collateral will be linked to fixed rates and the remaining 60 to 80% to the 12-month Euribor index, while the notes will pay a floating coupon indexed to three-month Euribor. To mitigate the interest rate and basis risks of the loans, the SPV will enter into two hedging agreements. One with [TBC] will be linked to the floating rate collateral, and the second one with Bancaja will refer to the fixed rate collateral. The agency accommodated within its cash flow model the guaranteed excess spread payable by the swap counterparties to the issuer, but on the other hand it applied margin compression stresses to the collateral noting that the SPV will retain interest collections from the loans that are excluded from the swap notionals (see *Swap Agreements*).

■ Structure

The issuer will be a limited-liability SPV incorporated under the laws of Spain whose sole purpose is to acquire consumer and auto loans from Bancaja as collateral for the issuance of floating-rate notes. Bancaja will act as the servicer of the collateral, account bank provider and swap counterparty, while [TBC] will act as a second swap provider. However, for the protection of investors, if Bancaja is unable at some future point to continue to service the collateral, the *sociedad gestora* would appoint a replacement administrator in accordance with Spanish securitisation law and in line with Fitch commingling criteria ("*Commingling Risk in Structured Finance Transactions*", dated 9 June 2004 and available at www.fitchratings.com).

Principal proceeds from the underlying collateral will be used to purchase additional consumer loan receivables until the payment date falling in May 2008 inclusive, after which the revolving period is scheduled to end and amortisation of the notes is due to commence.

A treasury account, held in the name of the issuer at Bancaja, will channel all the transaction cash flows. Principal and interest collections from the collateral will be transferred into the treasury account no later than seven days after receipt. The treasury account will also be used to maintain the reserve fund (see

Key Information

Portfolio Characteristics

As of 31 May 2006

Number and Type of Loans: 87,541 consumer and auto loans

Total Collateral Amount: EUR692.7m of which EUR600.0m will be retained at closing

Weighted Average ("WA") Seasoning: 16.1 months

WA Remaining Term to Maturity: 48.5 months

Structure

Issuer: Consumo Bancaja 1, Fondo de Titulización de Activos

Total Issued Amount: EUR600.0m

Management Company: Europea de Titulización S.G.F.T., S.A.

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

Financial Agent: Bancaja

Swap Counterparties: Bancaja and [TBC]

Treasury and Principal Accounts: Bancaja

Closing Date: 29 June 2006

Scheduled Maturity: May 2018

Legal Final Maturity: May 2020

Reserve Fund) and to cover the ongoing expenses of the SPV. Amounts standing to the credit of this account will receive a guaranteed interest rate equal to three-month Euribor. As account bank, if Bancaja's Short-term rating is downgraded below 'F1', the *sociedad gestora* will take one of the following steps within 30 calendar days:

1. find a third party with a satisfactory rating to guarantee its obligations;
2. transfer the treasury account to another entity rated at least 'F1'; or
3. if neither of the above are possible, provide a guarantee of financial assets rated at least on a par with the Kingdom of Spain ('AAA/F1+'). If option 2 above is not possible, the *sociedad gestora* could also invest the balance of the treasury account temporarily, and until the next payment date, in fixed-income assets ("qualified investments"). An 'F1' rating is sought for qualified investments maturing within 30 days, and a rating of 'F1+' for longer periods.

Revolving Period

During the 24-month revolving period, Bancaja will retain the right to sell additional consumer and auto loan receivables to the SPV on a quarterly basis. The issuer will only purchase additional receivables that meet the eligibility criteria outlined in the *Collateral* section below. Principal due for receivables purchases will be equivalent to the sum of principal collections on the performing collateral plus the provisions for defaulted accounts (i.e., the balance of those loans that are more than 12 months in arrears).

In the event that no new receivables are available for purchase on any payment date, unused funds will be credited to a transaction account held at Bancaja in the name of the issuer (called the "principal account"), which will yield three-month Euribor plus the weighted average ("WA") margin of the notes. A rating trigger of 'F1' is also applicable on this account and, therefore, in the event of Bancaja's Short-term rating being downgraded below this, the *sociedad gestora* would take one of the actions defined above in *Structure*.

The revolving period will end on the earlier of the payment date falling in May 2008 inclusive, and the date on which an early amortisation event has occurred.

Early Amortisation Events

Key early amortisation events include:

- non-payment of interest on the notes;
- delinquencies (amounts more than 90 days past due) are greater than 2.25% of the outstanding collateral balance;
- the reserve fund will not be at its required level on the current payment date;
- a servicer replacement event;
- early termination of the swap agreement with no substitute being found after 15 days;
- Bancaja's insolvency; or
- cumulative defaults (loans more than 12 months in arrears) are greater than the percentages detailed below, with regards to the original collateral balance:

Trigger on Cumulative Defaults

Payment Date	Cumulative Defaults (%)
August 2006	0.344
November 2006	0.688
February 2007	1.031
May 2007	1.375
August 2007	1.719
November 2007	2.063
February 2008	2.406
May 2008	2.750

Source: Transaction documents

Amortisation of the Notes

Principal due for the amortisation of the notes on any payment date will be capped at the difference between the outstanding balance on the notes and the balance of non-defaulted collateral. Payments will be made subject to the availability of funds, according to the priority of payments.

The first principal payment date on the notes is expected to be August 2008 and quarterly thereafter. Series B and C will amortise sequentially on a pass-through basis after the A notes have been redeemed in full.

The amortisation profile for the series D notes has been structured to mirror the amortisation profile of the reserve fund. Principal funds available for the amortisation of the series D notes will be limited to the cash released from the reserve fund. The reserve fund is subject to a floor (i.e. ranging between 1.125% and 1.065% of the initial series A to C notes balance) and will be released to the series D noteholders at legal final maturity, (or before, if the 10% clean-up call is exercised).

All the notes (excluding the series D notes) are subject to a clean-up call when less than 10% of the initial collateral remains outstanding. The clean-up call does not guarantee the full or partial redemption of the series D notes.

Priority of Payments

On each quarterly payment date, commencing in August 2006, the combined priority of payments will be:

1. expenses, taxes and servicing fees;
2. net payments under the swap agreement (if applicable);
3. Series A interest;
4. Series B interest (if not deferred);
5. Series C interest (if not deferred);
6. purchase of new consumer and auto loans prior to the expiry of the revolving period, and principal due on the A to C notes during the amortisation phase in order of seniority (see *Amortisation of the Notes*);
7. Series B interest if deferred, which will occur if the principal deficiency exceeds 85.0% and 100% of the outstanding balance of the B and C notes, respectively;
8. Series C interest if deferred, which will occur if the principal deficiency exceeds 85.0% of the outstanding balance of the C notes;
9. replenishment of the reserve fund (see *Reserve Fund*);
10. Series D interest and principal; and
11. other subordinated amounts such as remuneration and reimbursement of the loan to cover start-up expenses.

Principal deficiency is defined as the positive difference between the outstanding balance of the A to C notes, minus the balance of non-defaulted collateral (i.e. loans up to 12 month in arrears) plus the balance of the principal account. The structure will cover ordinary and extraordinary expenses through the excess spread that is either guaranteed by the swap agreement or retained from the collateral (see *Swap Agreements*).

Reserve Fund

Depending on the final WA excess spread payable by one of the two swap counterparties to the SPV (see below), the potential amounts of the reserve fund can be summarised as the table below indicates. The reserve fund will be fully funded at closing, and will be held in the treasury account at Bancaja. The amortisation of the reserve fund is subject to:

- the balance of loans more than 90 days in arrears not exceeding 1.0% of the non-defaulted collateral;
- the reserve fund being replenished to its required amount on the current payment date; and
- the closing date being more than two years earlier.

Swap Agreements

The SPV will enter into two swap agreements with [TBC] and Bancaja (the "swap counterparties") to mitigate the interest rate and basis risks of the collateral.

The first hedge agreement ("floating-to-floating swap"), provided by [TBC], will be in place for the collateral that is linked to floating rates. Under this contract, the SPV will pay the WA 12-month Euribor index on the collateral accounting for the reset distribution of the loans plus a spread of 300bp, and in return, it will receive three-month Euribor plus a spread that will be determined shortly before the closing date, and which is expected to be in the range

Margin Paid by the Floating-to-Floating Swap to the SPV

(%)	2.550, 2.649	2.650, 2.750	2.751, 2.850	2.851, 2.900
Initial Reserve Fund (% of Original Collateral Balance)	2.25	2.20	2.15	2.13
Thereafter, the Higher of a Multiple of the Outstanding Collateral Balance, or	4.50	4.40	4.30	4.26
Reserve Fund Floor (% of Original Collateral Balance)	1.125	1.10	1.075	1.065

Source: Transaction documents

of 255bp and 290bp, multiplied by a notional defined as the balance of non-defaulted floating-rate assets.

Under the second hedge solution ("fixed-to-floating swap"), provided by Bancaja and linked to the collateral paying fixed interest rates, the SPV will transfer to the swap counterparty 600bp and it will receive three-month Euribor plus 200bp on the notional amount, which is defined as the balance of non-defaulted fixed-rate assets.

Note that as the swap counterparties will not pay to the SPV the WA spread on the notes, the hedge solution does not offset any increase in note funding costs over time as the more junior notes remain outstanding. This feature has also been accommodated within the cash flow model.

If the swap counterparties is/are downgraded below 'A/F1', it/they will, within 30 calendar days, take one of the following steps:

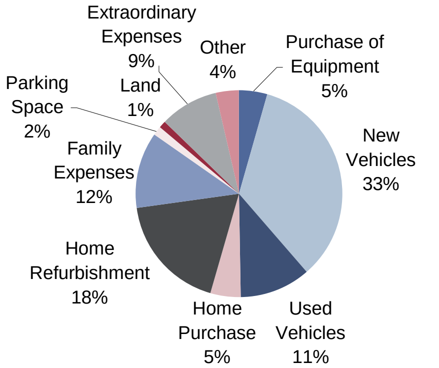
- find an entity rated at least 'A/F1' to guarantee its obligations under the swap agreement;
- find a replacement counterparty rated at least 'A/F1'; or
- cash- or security-collateralise its obligations in an amount sufficient to satisfy existing Fitch criteria.

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.

■ Collateral

At closing, the final portfolio will have an outstanding balance of EUR600m, comprising consumer and auto loans granted to individuals in Spain for different personal/family purposes.

Purpose of the Loans
% of Outstanding Balance



Source: Bancaja

These loans will be selected from the provisional portfolio, which as of 31 May 2006 had the following main characteristics as a proportion of the outstanding balance:

1. average original balance of EUR11,646;
2. average and maximum outstanding balances of EUR7,913 and EUR87,384 respectively;
3. 100% with monthly amortisation, 33.2% linked to fixed rates, and 66.8% referring to floating coupons;
4. WA interest of 6.5% (i.e. 6.92% for the fixed-rate assets, and twelve-month Euribor plus 373bp for the floating-rate assets);
5. WA seasoning of 16.1 months;
6. WA time to maturity of 48.5 months, while the maximum is 118.2 months;
7. main purposes of the loans are purchase of new cars (i.e. 34.2%), home refurbishment (18.3%), and family expenses (11.9%); and
8. 79.2% concentrated in the region of Valencia, followed by Catalonia (5.5%) and Madrid (4.4%).

Key Eligibility Criteria

During the revolving period, the eligibility criteria stipulate, among other things, that:

- the loans must have been originated by Bancaja, granted to individuals in Spain, receive the benefit of a personal guarantee from the borrower, and be linked to any of the purposes already included as of the closing date;
- loans up to 30 days delinquent can be purchased;
- the loans do not allow for interest deferral options, and are denominated in euros with an outstanding balance between EUR1,000 and EUR90,000;
- the loans amortise monthly, and have a latest maturity date of April 2018;
- each loan has made at least one payment through an automatic direct debit system;
- at a portfolio level the WA interest rate of fixed-rate loans is equal or greater than 6.0%, the WA margin of floating-rate loans is equal or greater than 3.0%, the balance of fixed rate loans is in the range of 20 and 40% of the collateral, while the balance of floating rate loans is between 60 and 80.0%. Moreover, the WA remaining life is equal or lower than 5.5 years assuming zero prepayments, the aggregate amount of loans with outstanding balances greater than EUR40.000 is equal or less than 6.0%, and the maximum concentration per single obligor cannot exceed EUR100.000; and

- with regards to the new accounts purchased during the revolving phase, the WA seasoning is equal or greater than two months.

In the event of any loan not meeting the eligibility criteria, the seller will have 15 days in which to substitute or repurchase the receivables concerned, at a price equal to the sum of principal outstanding plus any interest accrued on the particular loans.

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-2005). It holds a controlling 38% stake in Banco de Valencia (rated 'A/F1'). The group's operations are centred in the region of Valencia, where it had a market share of 23.0% on credit products and 30.0% for deposit products as of March 2006. Moreover, as of December 2005, 60.6% of its 1,420 branches were located in Comunidad Valenciana. The group is increasingly diversifying its operations outside its home region, which at year end 2005 accounted for 36.0% of its turnover, and refinancing new mortgage loan production through securitisation.

Fitch reviewed Bancaja's origination and servicing procedures during an on-site visit in April 2006 during which the agency met with the originator and servicer managers responsible for the mortgage loan department. The main underwriting and servicing guidelines are summarised below:

- The credit analysis for consumer and auto loans to individuals is based on reactive and (for existing clients only) behavioural credit-scoring systems that Bancaja began developing 10 years ago. Depending on the purpose of the loan, the bank's data request and analysis can be differentiated. For example, for auto loans the type of vehicle (i.e. new or used) and the size of the application versus the market value of the vehicle, are data points which are not applicable in consumer loan applications.

- The analysis focuses on the borrower's ability to honour their debt payments in a timely fashion based on stresses of monthly instalments. The information analysed includes income generation capacity, outstanding liabilities, employment status, family situation, location, third-party guarantees as well as available data from CIRBE (a Bank of Spain database that gathers information on borrower exposure and non-payments from all Spanish entities and individuals) and Experian or RAI (the Registro de Aceptación de Impagados). The model can produce three results, being approved, doubtful and declined.

- The credit approval process involves different levels of credit authority, as every branch has a specific approval limit that is agreed after considering its capabilities and experience. At the most, a typical branch is able to sanction consumer loan applications up to EUR60.000. Account managers have the ability to override the credit score results (i.e. either positively or negatively), subject to their individual mandate level/authority. Bancaja indicated to Fitch that, on average and for the period between January 2005 and March 2006, approximately 52% of all consumer credit applications were initially classified as doubtful by the scoring system, of which approximately 40.0% were finally approved.

- In general, borrowers pay back the loan amounts via direct debits coming from their respective current accounts with Bancaja. Any account delinquent for more than 30 days would be outsourced to ACINSA, a dedicated primary servicing company subsidiary of Bancaja.

- Several letters, automatically originated by the bank's system, are sent and calls made, their frequency and content depending on the level of exposure to the borrower. After 75 days, ACINSA, together with the branch office and the credit risk department, decide whether to take the case to court or start a friendly recovery process. The documentation and procedures required for the foreclosure process are prepared as soon as is deemed necessary (even before 75 days of delinquency) to enable the lawyers to start proceedings within 24 hours of a decision to do so. In the event it is decided to take the case to court, during the next 30 days, ACINSA will continue the out-of-court recovery procedure.

In the case of a borrower defaulting, Bancaja has the ability and the powers to initiate legal actions, which could result in a stay or ultimately auctioning of the debtor's assets. In Bancaja's experience, the overall duration of those formal legal proceedings takes 19 months on average. It is generally quicker and easy when the debtors' bank accounts can be embargoed, which would automatically redirect any incoming funds towards clearing any arrears.

Set-Off Risk

The issuer could be affected by the set-off rights of borrowers with deposits in accounts held with Bancaja. However, this risk is mitigated as the seller commits in the documentation to remedy such circumstance if it arises at any point during the life of the transaction or, if it cannot be remedied, to pay to the issuer the amount set-off plus the accrued interest. According to Spanish law, the set-off risk should cease to be valid following the notification of assignment of the receivable to the other party (i.e. borrowers), or the bankruptcy of one of the parties.

Credit Analysis

Fitch applied its standard consumer ABS methodology when rating this transaction. Fitch's key inputs in the analysis were a base case cumulative default probability for the collateral, taken from the 180-day delinquency vintage data provided by the seller, and the recovery rates for each rating category.

Default Probabilities and Recovery Rates

Fitch has assumed that borrowers who have not made a payment 180 days after the due date should be considered defaulted, a conservative assumption since some of them may become performing again. After evaluating the static delinquency data presented by the seller, and considering both the WA time to maturity and the minimum WA seasoning of the collateral, Fitch formed the base case cumulative default probability of 2.75%. This base case already accounts for the additional 10% uplift that was applied to address the geographical concentration risk within the region of Valencia. The agency then applied multiples to this to obtain the default probabilities for the higher rating categories, as detailed below.

Default Probabilities

	Cumulative WA Default Probability (%)	Multiple of Base Case
AAA	13.75	5.0
AA	11.00	4.0
A-	7.33	2.7
Base Case	2.75	n.a.

Source: Fitch

On the recovery side, Fitch derived a base case of 65.0% by analysing the historical data presented by Bancaja since 1999. To guard against potential volatility risks, Fitch has reduced the base recovery rate by 25.6%, 35% and 45% in the more stressful scenarios, commensurate with the 'A-', 'AA' and 'AAA' expected ratings of the notes, respectively.

Each loan in the pool benefits from and will receive a personal guarantee from the respective borrower, providing security over the debtor's present and future assets and income. If a borrower defaults, Bancaja has the ability and the powers to initiate legal action, which could result in a stay over or ultimately auctioning of the debtor's assets.

Recovery Rates

(%)	Cumulative WA Recovery Rate	Recovery Rate Haircut
AAA	35.8	45.0
AA	42.3	35.0
A-	48.4	25.6
Base Case	65.0	n.a.

Source: Fitch

Fitch has taken the view that a 36-month foreclosure period is appropriate after observing historical recovery data, and recognising that although the largest portion of historical recoveries comes from friendly or non-legal actions against the debtor, Bancaja is entitled to commence legal initiatives towards the execution of the personal guarantee attached to every loan, which allows the bank to sell/auction assets from the debtor. As this legal process may take longer than two years on average, additional recoveries can be received until the third year after default.

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 and recoveries would occur in line with the historical evidence provided by Bancaja.

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 recovery proceeds were collected. Excess spread, the reserve fund and principal collections must be sufficient to cover the carrying cost until recoveries are received. Interest rates were stressed upwards over time as per the criteria definitions. The agency took into account in its analysis the interest deferral mechanism in place on the series B and C notes. Should the triggers be hit, while interest on the B and C notes may be deferred for a period, it will ultimately be paid prior to the legal maturity date under the respective stress scenario.

The agency also modelled different levels of prepayments, which can have differing impacts on the transaction. Primarily, they lower the absolute amount of excess spread, which is key to the total CE in this structure. However, since the principal repayment is directed to the senior series, those notes benefit from higher CE as a result of the increase in subordination. The base case prepayment rate used in the cash flow model is 16.0%, which was derived after calculating an average rate of the historical annual prepayment rates of Bancaja's consumer loan portfolio observed over the last four years, and Fitch applied rates of 24.0% under a 'AAA', 22.0% at 'AA' and 20.0% at 'A-' scenarios.

The analysis showed that the CE levels provided for each of the tranches would be sufficient to withstand the default hurdles and losses determined by the agency for the individual ratings.

Series D Notes

The performance of the series D notes requires very favourable conditions for the collateral backing the series A to C notes. Fitch calculated an expected recovery rate after testing several cash flow scenarios commensurate with speculative grade rating levels. The sensitivity analysis performed consisted of testing several variables that affect the release of the reserve fund and consequently the availability of interest and principal payments on the series D notes. Fitch ran multiple stress scenario assumptions, including:

- alternative timing of default assumptions: back-loaded, front loaded as well as evenly spread defaults;
- alternative interest rates: increasing, low, and constant interest rate scenarios;
- prepayment speeds: high, low and average historical prepayment rates;
- different WA margin compression rates on the mortgage loans: the agency modelled high and low margin compression rates assuming the percentage of prepayments are allocated to the higher margin loans in the portfolio; and
- exercise of the clean up call by the originator.

The 'CCC' expected rating on the series D notes is supported by the expected recovery rates. As default on the series D notes appears probable, a distribution of possible recovery rates was obtained. The recovery rate has been calculated as the present value of the series D notes' expected interest and principal payouts using a discount factor of 8.0%. Based on Fitch's calculation, the expected recovery rate was in the range of 70%-90% of the initial note balance.

■ Performance Analytics

Fitch will monitor the transaction regularly and as warranted by events. Its structured finance performance analytics team ensures that the assigned ratings remain, in the agency's view, an appropriate reflection of the issued notes' credit risk.

Fitch will also incorporate the main performance statistic of the transaction within its Index Report titled "*Eye on Europe – The Fitch European Consumer ABS Performance Index 2006*", which is available to subscribers at www.fitchresearch.com. Further information on this service is available at www.fitchratings.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.

■ Consumo Bancaja 1, F.T.A.

Spain/Consumer ABS

Capital Structure

Series	Rating	Size (%)	Size (EURm)	CE (%)**	PMT Freq	Final Legal Maturity	Coupon
A	AAA	94.35	566.1	7.80	Quarterly	May 2020	Floating
B	AA	2.45	14.7	5.35	Quarterly	May 2020	Floating
C	A-	3.20	19.2	2.15	Quarterly	May 2020	Floating
D***	CCC	2.13/2.25*	12.8/13.5	-	-		

* Final size to be determined prior to closing depending on the WA spread payable by the swap to the SPV. The percentages are expressed as a proportion of the initial collateral balance. See Reserve Fund.
** CE figures assume the final size of the series D notes is equivalent to 2.15% of the original collateral balance. See Reserve Fund.
*** Un-collateralised note issued to fund the creation of the reserve fund at closing date.

Key Information

Closing Date	29 June 2006 (Expected)	**Role**	Party (Trigger)
Country of Assets	Spain	**Issuer**	Consumo Bancaja 1, F.T.A.
Structure	Two-year revolving period, then amortising sequentially	**Seller/Servicer of the Loans**	Bancaja ('F1')
Type of Assets	Consumer and auto loans	**Servicer of the Notes**	Europea de Titulización S.G.F.T., S.A.
Currency of Assets	EUR	**Financial Agent**	Bancaja ('F1')
Currency of Notes	EUR	**Swap Counterparties**	Bancaja ('A/F1') and [TBC] ('A/F1')
Primary Analyst	juan.garcia@fitchratings.com	**Line of Credit Provider**	n.a.
Secondary Analyst	henry.gallego@fitchratings.com		
Performance Analyst	lynnette.withfield@fitchratings.com		

Collateral: Pool Characteristics

As of 31 May 2006

Current Principal Balance (EUR)	692,680,342	WA Seasoning (Months)	16.1
Loans (#)	87,541	WA Time to Maturity (Months)	48.5
Original Average Principal Balance (EUR)	11,646	Top One Geographical Concentration (%)	79.2
Current Average Principal Balance (EUR)	7,913	Top Three Geographical Concentrations (%)	89.1
Linked to Fixed Interest Rates (%)	33.2	Linked to Individuals Resident in Spain (%)	100.0
Linked to Floating Interest Rates (%)	66.8	Monthly Amortising (%)	100.0
WA interest (%)	6.5	Top 1 Loan Purpose: New Vehicles (%)	34.2
WA interest of fixed-rate assets (%)	6.9	Top 2 Loan Purpose: Home Refurbishment (%)	18.3
WA interest of floating-rate assets (%)	Index + 3.7	Top 3 Loan Purpose: Family expenses (%)	11.9

All percentages are expressed as a proportion of current collateral balance
Source: Transaction documents