

October 17, 2008

Ratings On FTPYME Pastor 3, FTPYME Pastor 4, And Empresas Pastor 5's Junior Notes On Watch Neg

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MADRID (Standard & Poor's) Oct. 17, 2008—Standard & Poor's Ratings Services said today that it has placed on CreditWatch with negative implications its credit ratings on the junior notes issued by EdT FTPYME PASTOR 3, FONDO DE TITULIZACION DE ACTIVOS; GC FTPYME PASTOR 4 Fondo de Titulizacion de Activos, and TDA, Empresas Pastor 5, Fondo de Titulizacion de Activos (see list below). All the other ratings in these transactions are unaffected.

Today's CreditWatch placements follow an initial analysis of the performance of these deals. Current collateral performance has highlighted factors that have increased the possibility of negative rating actions for the junior classes.

The deals are backed by portfolios of loans to Spanish small-to-midsize enterprises (SMEs) originated by Banco Pastor, S.A. Banca Pastor is also bank account provider and swap counterparty for these transactions. The CreditWatch placements are not, however, related to the recent downgrade of Banco Pastor on Oct. 3, 2008. We will, though, monitor the impact of Banco Pastor's downgrade on these notes.

EdT FTPYME PASTOR 3 closed in December 2005. At the end of August 2008, loans in arrears greater than 90 days were 5.99% of the outstanding balance of the pool. The current credit support provided by the cash reserve to the junior class C notes is 8.93% of the outstanding balance of the notes.

As of today, the transaction has accumulated only 0.14% of defaults over the original balance of the notes and it was able to generate enough cash flow to provide note amortization for these amounts by applying an artificial write-off mechanism. However, since the beginning of this year we note a steeper increase of arrears and we believe that a continuation of this growth rate and a sufficient rollover into default may cause credit support levels to be insufficient to maintain current ratings.

Beyond that, the pool shows other concerning factors, such as the high concentration of top 10 borrowers that count for 17.11% of the total pool and the significant weight of loans granted to the real estate sector, amounting to 48.35% of the pool.

GC FTPYME PASTOR 4 closed in November 2006. By the end of September 2008, loans in arrears greater than 90 days were 4.98% (of which 1.63% are loans in arrears for 90 days exactly) of the outstanding pool balance. The lower classes receive credit support from the cash reserve amounting to 3.59% of the outstanding note balance. If a relevant amount of today's delinquent loans roll over into default, the credit support levels may be insufficient to maintain current ratings. Indeed, recently delinquent loans over 90 days increased substantially and we are concerned that the continuation of this trend into defaults could put pressure on the structure.

TDA, Empresas Pastor 5 closed in December 2007. In August 2008, loans in arrears greater than 90 days were 1.52% of the outstanding pool balance and the cash reserve's credit support is 4.04% of the outstanding note balance. We note that the delinquency rate at this early stage is higher than the level registered by similar funds after the same number of periods since their closing dates. So, despite the low seasoning of the transaction we believe that under the current scenario the rating on the junior class C notes could be pressurized by the high delinquency rate.

We will conduct a deeper analysis of these trends and the general impact of the current Spanish economic environment, and will update and run our credit and cash flow analyses. This will allow us to ascertain whether credit enhancement levels for the classes on CreditWatch are sufficient to support the ratings at any new modeled default level.

The related article on Banco Pastor, titled "Research Update: Spanish Bank Banco Pastor Downgraded To 'A-/A-2' On Weakening Asset Quality; Outlook Negative" and published on Oct. 3, 2008, is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

RATINGS LIST

Ratings On FTPYME Pastor 3, FTPYME Pastor 4, And Empresas Pastor 5's Junior Notes On Watch Neg

Class	Rating	
	To	From

Ratings Placed On CreditWatch Negative

EdT FTPYME PASTOR 3, FONDO DE TITULIZACION DE ACTIVOS
€520 Million Floating-Rate Notes

C	BB/Watch Neg	BB
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GC FTPYME PASTOR 4 Fondo de Titulizacion de Activos
€630 Million Asset-Backed Floating-Rate Notes

C	A/Watch Neg	A
D	BBB/Watch Neg	BBB
E	BB/Watch Neg	BB

TDA, Empresas Pastor 5, Fondo de Titulizacion de Activos
€550 Million Asset-Backed Floating-Rate Notes And €18.7 Million Floating-Rate
Notes

C	BB/Watch Neg	BB
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