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DBRS Downgrades and Places Rating Under Review Negative on the Notes Issued by PYME Valencia 2

Industry: Sec.--Structured Credit

DBRS Ratings Limited (“DBRS”) has today placed Under Review with Negative Implications and downgraded the rating on the EUR 124,943,289.75 Series A Notes (the “Notes”) issued by PYME Valencia 2, F.T.A. (the “Issuer”) from AAA (sf) to AA (high) (sf). The transaction is a cash flow securitisation collateralised primarily by a portfolio of bank loans originated by Banco de Valencia S.A. (“Banco de Valencia”) to Spanish enterprises and small and medium-sized enterprises (“SMEs”). The rating on the Notes addresses the timely payment of interest and ultimate payment of principal on or before the Final Maturity Date on March 25, 2047.

The principal methodology is Master European Granular Corporate Securitisations (SME CLOs), which can be found on our website under Methodologies.

The rating action reflects the following analytical considerations:

- The impact of the May 3, 2012 downgrade by DBRS, Inc. of the long term foreign and local currency debt of the Kingdom of Spain to A (high) from AA (low) with trends remaining Negative (see press release “DBRS Downgrades Spain to A (high), Trend Remains Negative”), including the incorporation of a sovereign related stress component related to the A (high) rating on trend Negative.
- The impact of the May 22, 2012 rating action by DBRS, Inc. placing the long term foreign and local currency debt of the Kingdom of Spain Under Review with Negative Implications (see “DBRS Places Spain’s Ratings Under Review with Negative Implications”).
- Heightened concern with respect to the stress certain transaction parties may come under to perform transaction obligations (servicers and collection account banks domiciled in Spain).
- Increased uncertainty surrounding the impact of macroeconomic variables on collateral performance.

For a more detailed discussion of sovereign risk impact on Structured Finance ratings, please refer to DBRS commentary “The Effect of Sovereign Risk on Securitisations in the Euro Area”, located at

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<http://dbrs.com/research/239786>.

The sources of information used for this rating include parties involved in the rating, including but not limited to PYME Valencia 2, F.T.A., Europea de Titulización S.A. S.G.F.T. and Banco de Valencia S.A. DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

For additional information on DBRS European SME CLOs, please see European Disclosure Requirements, located at <http://www.dbrs.com/research/235269>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

This rating is endorsed by DBRS Ratings Limited for use in the European Union.

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Rating Committee Chair: Jerry van Koolbergen

Final Rating Date: 22 July 2011

Note:

All figures are in Euro unless otherwise noted.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
PYME Valencia 2, F.T.A.	Series A	Under Review - Negative	AA (high) (sf)	--	Jun 20, 2012

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

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