

Fitch Affirms FTPYME BANCAJA 4's Notes

Fitch Ratings-London-21 November 2006: Fitch has today affirmed FTPYME BANCAJA 4, FONDO DE TITULIZACION DE ACTIVOS's ("FTPYME BANCAJA 4") notes due July 2038 as listed below:

EUR416.9 million Class A1 (ES0339731004) affirmed at 'AAA'
EUR300m Class A2 (ES0339731012) affirmed at 'AAA'
EUR237.6m Class A3(G) (ES0339731020) affirmed at 'AAA'
EUR71.3m Class B (ES0339731038) affirmed at 'A'
EUR23.3m Class C (ES0339731046) affirmed at 'BBB+'
EUR25.5m Class D (ES0339731053) affirmed at 'BB-' (BB minus)
EUR24m Class E (ES0339731061) affirmed at 'CCC-' (CCC minus)

FTPYME BANCAJA 4 notes represent a cash flow securitisation of EUR1.5 billion loans to small and medium-sized Spanish enterprises ("SMEs") granted by Caja de Ahorros de Valencia Castellon y Alicante ("Bancaja" rated 'A+/'F1'). The Class A3 (G) notes are backed by a guarantee from the Kingdom of Spain (rated 'AAA/'F1+').

The rating actions reflect the deal's stable performance to date, low delinquency levels and sufficient credit enhancement. As of September 2006 report, the total amount of outstanding delinquencies of more than 90 days is only 0.75% and of arrears over 180 days is only 0.41%. Furthermore, no rating triggers on transaction counterparties have been hit and the credit enhancement has increased due to the amortization of the notes in line with the amortization of the collateral, hence leading to the affirmations of the notes.

The portfolio is currently composed of 3,364 loans, consisting of mortgages (both first- and second-ranking), as well as loans secured with guarantees and private backing. In terms of geographic concentration, the loans are mainly to obligors in Valencia (52.5%) and the largest industry is real estate (54.4%).

FTPYME Bancaja 4 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 4 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 website, www.derivativefitch.com.

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