

COMISION NACIONAL DEL MERCADO DE VALORES
Dirección de Mercados Primarios

Paseo de la Castellana, 19
28046 MADRID

Asunto: Cambio Calificaciones PYME BANCAJA 5 FTA

En relación con el Fondo de la referencia, les adjuntamos la siguiente comunicación de la Agencia de Calificación Fitch Ratings, de fecha 12 de Diciembre de 2007, por la que comunica la modificación de la calificación crediticia asignada a las Series emitidas por el Fondo, que se detallan a continuación:

PYME BANCAJA 5 FTA	CALIFICACION ANTERIOR	CALIFICACIÓN ACTUAL
Serie D	CCC	CCC/DR1

Atentamente,

Mario Masiá Vicente
Director General

Fitch Assigns PYME BANCAJA 5's Class D Notes 'CCC'/DR1' Rating [Ratings](#)

12 Dec 2007 3:13 PM (EST)

Fitch Ratings-London-12 December 2007: Fitch has today assigned PYME BANCAJA 5, FONDO DE TITULIZACION DE ACTIVOS's (PYME Bancaja 5) due February 2039 Class D notes a Distressed Recovery (DR) rating of 'DR1' to its 'CCC' rating, for a combined rating of 'CCC'/DR1'. Fitch has also affirmed the remaining classes, as follows:

- Class A1 (ES0372259004): Paid In Full
- Class A2 (ES0372259012): Paid In Full
- EUR616.426m Class A3 (ES0372259020): affirmed at 'AAA'
- EUR62.7m Class B (ES0372259038): affirmed at 'A'
- EUR24.1m Class C (ES0372259046): affirmed at 'BBB'
- EUR28.8m Class D (ES0339731053): assigned 'CCC'/DR1', previously 'CCC'

The assignment of a 'DR1' rating to the 'CCC'-rated Class D notes is due to the lack of interest payment on the notes at the most recent quarterly payment date (14 November 2007), indicating a state of default. The Class D notes were issued to finance the creation of the reserve fund at closing. The reason for the lack of payment was Europea de Titulizacion S.G.F.T., S.A.'s (the Sociedad Gestora's) classification of a large loan to a single obligor as defaulted and the subsequent provisioning for the loan's full balance of EUR3.6m. The obligor in question is a real estate developer. Fitch assessed a distribution of possible recovery rates for the Class D notes. The recovery rates were calculated based on the present value of expected interest and principal payouts on the Class D notes, measured as a proportion of the original outstanding notes balance. Based on Fitch's calculation, the expected recovery rates were between 90% and 100%, indicating a Distressed Recovery rating of 'DR1'.

The affirmation of Classes A3 through C reflects the high levels of credit enhancement available for these tranches and the stable performance of the portfolio. Credit enhancement has increased in comparison to levels found at issuance in October 2006, primarily due to the full amortisation of the senior Class A1 and A2 notes. Delinquencies remain in line with expectations. As of the November 2007 trustee report, delinquencies of more than 90 days were reported at 0.13%, while those over 180 days were at 0.06% of the current portfolio balance. Defaults were reported at 0.004% of the original portfolio balance. These measures do not, however, include the balance of the EUR 3.6m defaulted loan.

The delinquency levels were calculated using Derivative Fitch methodology for SME CDO transactions. This calculation involves the addition of default levels to delinquencies of more than 90 and 180 days. A further issue of concern is the portfolio's high level of exposure to the real estate and construction sectors, currently in excess of 60%, as well as its concentration in the region of Valencia (49%).

PYME Bancaja 5 notes represent a cash flow securitisation of EUR1.15bn loans to small- and medium-sized Spanish enterprises (SMEs) granted by Caja de Ahorros de Valencia Castellon y Alicante (Bancaja, rated 'A+'/'F1'). In contrast to previous Bancaja SME transactions, PYME Bancaja 5 notes are not backed by a guarantee from the Kingdom of Spain (rated 'AAA'/'F1+').

PYME Bancaja 5 is a special-purpose vehicle incorporated under the laws of Spain with limited liability. The assets of PYME Bancaja 5 were subscribed to by 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.

Contacts: Andrew Higham, London, Tel: +44 (0)207 417 6326; Jeffery Cromartie, CFA, +44 (0)207 664 0072.

Media Relations: Julian Dennison, London, Tel: +44 20 7862 4080.

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