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## Various Rating Actions Taken On Empresas Hipotecario TDA CAM 3, FTPYME TDA CAM 4, And Empresas Hipotecario TDA CAM 5

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MADRID (Standard & Poor's) Jan. 21, 2009—Standard & Poor's Ratings Services today took various rating actions on the notes issued by Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos (Empresas Hipotecario TDA CAM 3), FTPYME TDA CAM 4, Fondo de Titulizacion de Activos (FTPYME TDA CAM 4), and EMPRESAS HIPOTECARIO TDA CAM 5, Fondo de Titulizacion de Activos (Empresas Hipotecario TDA CAM 5) (see list below).

Specifically, we:

- Lowered the rating on FTPYME TDA CAM 4's class B notes;
- Lowered and removed from CreditWatch negative the ratings on Empresas Hipotecario TDA CAM 3's and TDA FTPYME CAM 4's class C notes, and Empresas Hipotecario TDA CAM 5's class B and C notes;
- Placed Empresas Hipotecario TDA CAM 3's class B notes on CreditWatch negative;
- Kept on CreditWatch negative the 'AAA' rated notes in all three transactions; and
- Affirmed FTPYME TDA CAM 4's and Empresas Hipotecario TDA CAM 5's class D notes.

We placed the class C notes issued by Empresas Hipotecario TDA CAM 3 and FTPYME TDA CAM 4 and the class B and C notes in Empresas Hipotecario TDA CAM 5 on CreditWatch negative on Oct. 21, 2008, following an initial analysis of the

performance of those deals. At that time, the collateral performance had highlighted factors that had increased the possibility of negative rating actions for certain junior classes.

Today's rating actions follow a full credit and cash flow analysis of the most recent transaction information and loan-level data that we have received for these particular Spanish small and midsize enterprise (SMEs), originated by Caja de Ahorros del Mediterraneo.

The collateral in these transactions shows a high geographical concentration in the Valencia region that represents 39.81% of the outstanding collateral in Empresas Hipotecario TDA CAM 3, 52.81% in FTPYME TDA CAM 4, and 45.90% in Empresas Hipotecario TDA CAM 5. While these deals show an industry concentration in real estate and construction sectors slightly lower than the typical Spanish SME deals that we have rated, our analysis of the data provided suggests that each securitized pool contains a higher-than-average portion of loans granted to developers. Those loans, in our opinion, are more exposed to an expected rapid deterioration in performance in the current economic environment.

#### EMPRESAS HIPOTECARIO TDA CAM 3

This transaction is backed by a less granular pool than those backing TDA FTPYME CAM 4 and TDA Empresas Hipotecario 5. According to the latest available information, the collateral includes 430 loans and the top 10 borrowers represent 19.54% of the current outstanding balance. As a result, the deal's performance is more sensitive to individual loan defaults, and we reflected this concentration in our analysis.

90+ day delinquent loans currently represent 2.24% of the outstanding balance, or €11.24 million. Gross cumulative defaults represent only 0.16% of the original outstanding balance; however, given the current economic environment, we expect defaults to increase in the near to medium term. Our credit and cash flow analysis demonstrated that the class C notes can no longer maintain their current rating. In addition, the results illustrated that the probability of a negative rating action for the class B notes has increased.

#### FTPYME TDA CAM 4

Loans in arrears for more than 90 days have almost doubled to €16.58 million as of Nov. 30, 2008, from €8.90 million as of March 2008. Gross cumulative defaults represent only 0.36% of the original balance; however, given the current economic environment, we expect a significant portion of the 90+ day arrears to default in the near to medium term.

This could potentially increase the likelihood of a breach of the deferral of interest trigger. The deferral of interest triggers are based on cumulative defaults reaching 4.85% of the initial collateral balance for the class C notes, and 8.00% for the class B notes. We consider that a breach of the trigger could potentially result in the junior and mezzanine notes

experiencing an interest shortfall, while senior notes would deleverage more quickly. Our credit and cash flow analysis demonstrates that the credit enhancement available to the class B and C notes is, in our opinion, insufficient to maintain the current ratings.

#### EMPRESAS HIPOTECARIO TDA CAM 5

This transaction closed in October 2007. According to the latest available information, 90+ day arrears reached 2.51% of the outstanding collateral. Gross cumulative defaults increased to 0.4% of the original collateral balance, or €5.6 million—slightly higher than those observed for TDA FTPYME CAM 4, which closed in December 2006. This suggests that TDA Empresas Hipotecario CAM 5 is experiencing a more rapid deterioration in collateral performance, with a significant portion of loans in arrears rolling into default. We expect this trend to continue over the near to medium term. This will increase the likelihood of a breach of the deferral of interest trigger, potentially resulting in the junior and mezzanine notes experiencing an interest shortfall, while the senior notes will be repaid faster. In TDA Empresas Hipotecario CAM 5, this trigger is based on cumulative defaults reaching 7.3% of the initial collateral balance for class C notes and 10.4% for the class B notes.

The outcomes of our credit and cash flow analysis showed that the class B and C notes no longer pass our 'A-' and 'BBB' stresses, respectively, so we have lowered the ratings on these notes to the level at which they passed our rating stresses—'BBB' and 'BB-', respectively.

The CreditWatch negative placement of the 'AAA' rated notes in all three transactions is not driven by collateral performance issues, but continues to reflect unresolved issues relating to the substitution of Caja de Ahorros del Mediterraneo (CAM) as swap counterparty (see "31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk," published on Nov. 27, 2008).

Following CAM's downgrade to 'A-2' on Dec. 10, 2008, it has been replaced as treasury account provider for these transactions by Confederacion Espanola de Cajas de Ahorros (AA-/Negative/A-1+).

Further information on these deals is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis. 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

Class	Rating
To	From

RATING LOWERED

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos  
€1.5 Billion Floating-Rate Notes

B                      BBB+                      A

RATINGS LOWERED AND REMOVED FROM CREDITWATCH NEGATIVE

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos  
€750 Million Mortgage-Backed Floating-Rate Notes

C                      BB                      BBB/Watch Neg

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos  
€1.5 Billion Floating-Rate Notes

C                      BB-                      BBB-/Watch Neg

Empresas Hipotecario TDA CAM 5, Fondo de Titulizacion de Activos  
€1,430.8 Million Floating-Rate Notes

B                      BBB                      A-/Watch Neg

C                      BB-                      BBB/Watch Neg

RATING PLACED ON CREDITWATCH NEGATIVE

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos  
€750 Million Mortgage-Backed Floating-Rate Notes

B                      A/Watch Neg                      A

RATINGS REMAINING ON CREDITWATCH NEGATIVE

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos  
€750 Million Mortgage-Backed Floating-Rate Notes

A2                      AAA/Watch Neg

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos  
€1.5 Billion Floating-Rate Notes

A2                      AAA/Watch Neg

A3                      AAA/Watch Neg

Empresas Hipotecario TDA CAM 5, Fondo de Titulizacion de Activos  
€1,430.8 Million Floating-Rate Notes

A1                      AAA/Watch Neg

A2                      AAA/Watch Neg

A3                      AAA/Watch Neg

RATINGS AFFIRMED

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos  
€1.5 Billion Floating-Rate Notes

D                      CCC-

*Various Rating Actions Taken On Empresas Hipotecario TDA CAM 3, FTPYME TDA CAM 4, And Empresas Hipotecario TDA CAM 5*

Empresas Hipotecario TDA CAM 5, Fondo de Titulizacion de Activos  
€1,430.8 Million Floating-Rate Notes  
D CCC-

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