

FITCH AFFIRMS BANCAJA 8 & 9; CHANGES OUTLOOKS TO STABLE

Fitch Ratings-London-14 November 2007: Fitch Ratings has today affirmed nine tranches of the Bancaja transactions, following a performance review. The portfolios are backed by loans originated by Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja). The ratings are listed below.

Bancaja 8, issued in July 2005, has consistently experienced higher delinquencies than the rest of the series. Arrears, defined as three months plus delinquencies, started an upward trend reaching 0.71% in September 2007. The credit enhancement of the classes has grown significantly, because of high principal payment rates (PPR) and the sequential paydown of the notes, resulting in strong credit cover multiples (CCM) above 1.99 for all the classes. On the other hand, the arrears of the transaction are double those of the previous deals of the series at the same time of seasoning. Consequently, the defaults, defined as loans more than 18 months in arrears, also increased and are higher than the other transactions of the programme, reaching 0.17% 31 months after closing.

Bancaja 9, which closed in February 2006, had an upward trend in arrears more pronounced than Bancaja 8, reaching 1.27% in September 2007. This level is above the threshold of 1% for the reserve fund to amortise. Furthermore, 21 months after closing the first defaults, defined as in Bancaja 8, are starting to appear, reaching 0.05%. The PPR fell from an average of 16% to 11% and 12% in the last two months. Bancaja 9 has a lower reserve fund and was less seasoned at closing than the previous one.

The higher arrears than the rest of programme seen in these two transactions might be attributed to their lower seasoning at closing (11 months for each against 15 months or more for the rest of the series).

Fitch will continue to monitor these transactions closely in the coming quarters.

The originator, Bancaja, is the result of the mergers of four saving banks from the Autonomous Community of Valencia. Bancaja is the parent bank of Spain's sixth-largest banking group and third-largest savings bank by assets at end-2006. It holds a controlling 38.3% stake in Banco de Valencia. Its activities are centred in the Autonomous Community of Valencia, but expansion has led to 40% of the group's 1,482 branches at end-2006 being situated outside Valencia. Its main activity is retail commercial banking.

Fitch has employed its credit-cover multiple methodology in reviewing these transactions to assess the level of credit support available to each class of notes.

The rating actions are as follows:

Bancaja 8, Fondo de Titulizacion de Activos:

Class A (ISIN ES0312887005): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0312887013): affirmed at 'A+'; Outlook Positive

Class C (ISIN ES0312887021): affirmed at 'BBB+'; Outlook Positive

Class D (ISIN ES0312887039): affirmed at 'BB+'; Outlook revised to Stable from Positive.

Bancaja 9, Fondo de Titulizacion de Activos:

Class A2 (ISIN ES0 312888011): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0 312888029): affirmed at 'A+'; Outlook revised to Stable from Positive

Class C (ISIN ES0 312888037): affirmed at 'BBB+'; Outlook revised to Stable from Positive.

Class D (ISIN ES0 312888045): affirmed at 'BB+'; Outlook revised to Stable from Positive

Class E (ISIN ES0 ES0312888052): affirmed at 'CCC-' (CCC minus); Outlook Stable

Rating Outlooks for European structured finance tranches provide forward-looking information to

the market. An Outlook indicates the likely direction of any rating change over a one- to two-year period. For further information on Rating Outlooks, please see Fitch's "Scanning the Horizon - Rating Outlooks in European Structured Finance" report, dated 1 June 2007 and available at www.fitchratings.com. Further commentary and performance data on these transactions are available at www.fitchresearch.com.

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