



**Fitch: No Impact on Bancaja and Banco de Valencia SF Deals from Downgrade
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Fitch Ratings-London/Madrid-03 August 2010: Fitch Ratings says structured finance transactions associated with Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja) and Banco de Valencia have not been impacted by the agency's recent downgrades on the abovementioned financial institutions due to remedial action being undertaken. The financial institutions are counterparties in these transactions.

On 1 June 2010 Fitch downgraded Bancaja's and Banco de Valencia's Long-term Issuer Default Ratings (IDR) to 'BBB' from 'BBB+' and Short-term IDRs to 'F3' from 'F2'. (For further information, please see 'Fitch Downgrades Bancaja to 'BBB'/Stable Outlook; Downgrades Individual Rating to 'C/D' and 'Fitch Downgrades Banco de Valencia to 'BBB'; Outlook Stable', both available at www.fitchratings.com).

Following is a list of the respective remedial actions, indicating the deals for which these were carried out:

Implementation of commingling reserve via cash collateralisation of required amounts for:

- Valencia Hipotecario 1, FTA
- Valencia Hipotecario 2, FTH
- Valencia Hipotecario 3, FTA
- Valencia Hipotecario 4, FTA
- PYME Valencia 1, FTA

Provision of first demand guarantee by Caja de Ahorros y Monte de Piedad de Madrid ('A'/Negative/'F1') to cover Bancaja's required commingling reserve for:

- Consumo Bancaja 1, FTA
- Bancaja 3, FTA
- Bancaja 4, FTH
- Bancaja 5, FTA
- Bancaja 6, FTA
- Bancaja 7, FTA
- Bancaja 8, FTA
- Bancaja 9, FTA
- MBS Bancaja 1, FTA
- MBS Bancaja 2, FTA
- MBS Bancaja 3, FTA
- MBS Bancaja 4, FTA
- VAL Bancaja 1, FTA (formerly FTGENVAL Bancaja 1, FTA)
- FTPYME Bancaja 2, FTA
- FTPYME Bancaja 3, FTA
- FTPYME Bancaja 4, FTA
- PYME Bancaja 5, FTA
- FTPYME Bancaja 6, FTA
- CM Bancaja 1, FTA
- MBS Bancaja 7, FTA

Increased cash collateralisation of swap agreement provided by Bancaja for the following deals:

- Consumo Bancaja 1, FTA
- Bancaja 3, FTA
- Bancaja 4, FTH
- MBS Bancaja 1, FTA
- FTPYME Bancaja 2, FTA

FTPYME Bancaja 3, FTA

The respective public overcollateralisation commitments provided by Bancaja and Banco de Valencia to maintain the ratio of their total cover pools to outstanding cedulas at or above 231% and 232%. These commitments are applicable to their participations in all Fitch-rated multi-issuer Cedulas Hipotecarias deals, which are:

Cedulas TDA 13, FTA
Cedulas TDA 18, FTA
IM Cedulas 2, FTA
AyT Cedulas Cajas Global Series 19, FTA
AyT Cedulas Cajas Global Series 20, FTA
AyT Cedulas Cajas Global Series 21, FTA
AyT Cedulas Cajas I, FTA

Applicable criteria, 'Rating Criteria for Multi-Issuer Cedulas Hipotecarias', dated 11 December 2009, 'Counterparty Criteria for Structured Finance Transactions', dated 22 October 2009, and 'Counterparty Criteria for Structured Finance Transactions: Derivative Addendum - Amended', dated 23 October 2009, are available at www.fitchratings.com.

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Additional information is available on www.fitchratings.com.

Related Research:

Rating Criteria for Multi-Issuer Cedulas Hipotecarias
Counterparty Criteria for Structured Finance Transactions
Counterparty Criteria for Structured Finance Transactions: Derivative Addendum - Amended

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