

**Material Event  
concerning**

**PYME VALENCIA 1 Fondo de Titulización de Activos**

Pursuant to section 4 of the Securities Note Building Block of the Prospectus for **PYME VALENCIA 1 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- On November 4, 2008, Moody’s Investors Service downgraded the rating assigned to the long- and short-term unsecured and unsubordinated debt obligations of **Banco de Valencia S.A.**, respectively down to “A3” from “A2” and to “P-2” from “P-1”.
- This circumstance would trigger a number of specific actions by Banco de Valencia S.A. for which provision is made in the (i) Mortgage Loan Servicing and Pass-Through Certificate Custody, (ii) Guaranteed Interest Rate Account (Treasury Account) and (iii) Financial Swap Agreements, entered into upon the Fund being established on July 20, 2007, which were already taken respectively on September 19 and 23, 2008 and which were notified as a material event on September 23, 2008.
- Notwithstanding the above, and with reference to the Financial Swap Agreement, in order for Banco de Valencia S.A. to post cash or securities in favour of the Fund as security for performance of its contractual obligations, within thirty (30) Business Days of the occurrence of the aforementioned downgrade, Moody’s Investors Service’s criteria shall be included to calculate the cash or securities, if any, to be posted by Banco de Valencia S.A.

Madrid, November 19, 2008.

Mario Masiá Vicente  
General Manager