

## **FITCH UPGRADES THREE, AFFIRMS 15 TRANCHES OF RURAL HIPOTECARIO SERIES; OUTLOOKS REVISED**

Fitch Ratings-London-28 November 2007: Fitch Ratings has today upgraded three and affirmed 15 tranches of Rural Hipotecario series, as listed below.

Rural Hipotecario VI, Rural Hipotecario VII, Rural Hipotecario VIII and Rural Hipotecario Global I are transactions backed by loans originated by a number of rural Spanish banks. These "Cajas Rurales" are members of the Asociacion Espanola de Cajas Rurales (AEER), which offers its associates a wide range of wholesale and retail banking services through Banco Cooperativo Espanol (rated 'A'/F1). Banco Cooperativo's main role is that of a central treasurer and financial adviser. As only four of the sellers in the whole series are rated by Fitch, the co-mingling risk was taken into account in the analysis. Amounts collected by the Cajas from the portfolio are transferred daily to the account opened in the name of the funds in Banco Cooperativo.

The ratings are:

Rural Hipotecario VI, Fondo de Titulizacion de Activos;

Class A (ISIN ES0374306001): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0374306019): upgraded to 'A+' from 'A'; Outlook revised to Stable from Positive

Class C (ISIN ES0374306027): upgraded to 'BBB+' from 'BBB'; Outlook Stable

Rural Hipotecario VII, Fondo de Titulizacion de Activos;

Class A1 (ISIN ES0366366005): affirmed at 'AAA'; Outlook Stable

Class A2 (ISIN ES0366366013 ): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0366366021): upgraded to 'AA-' (AA minus) from 'A+'; Outlook Stable

Class C (ISIN ES0366366039): affirmed at 'BBB-' (BBB minus); Outlook Stable

Rural Hipotecario VIII, Fondo de Titulizacion de Activos;

Class A2a (ISIN ES0366367011): affirmed at 'AAA'; Outlook Stable

Class A2b (ISIN ES0366367029): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0366367037): affirmed at 'A+'; Outlook Stable

Class C (ISIN ES0366367045): affirmed at 'BBB'; Outlook Stable

Class D (ISIN ES0366367052): affirmed at 'BB+'; Outlook Stable

Class E (ISIN ES0366367060): affirmed at 'CC'; Outlook Stable

Class A1: Paid in Full in October 2007

Rural Hipotecario Global I, Fondo de Titulizacion de Activos;

Class A (ISIN ES0374273003): affirmed at 'AAA'; Outlook Stable

Class B (ISIN ES0374273011): affirmed at 'A'; Outlook Positive

Class C (ISIN ES0374273029): affirmed at 'BBB+'; Outlook Positive

Class D (ISIN ES0374273037): affirmed at 'BB'; Outlook Positive

Class E (ISIN ES0374273045): affirmed at 'CC'; Outlook Stable

The three-months-plus arrears of these transactions range from 0.2% of the outstanding collateral balance for Rural Hipotecario VI to 0.56% for Rural Hipotecario VIII. The average annualised PPR for these transactions varies from 13% to 15%, although, in general, it has slightly decreased in the last quarter.

All Rural Hipotecario transactions have a reserve fund that will amortise according to certain conditions and also have an absolute floor. In Rural Hipotecario VIII and Global I, the class E notes are uncollateralised and were issued to finance the reserve fund at closing; as a result, they have the same amortisation guidelines as the reserve fund.

The notes in these series are amortising sequentially; however, they can switch to pro rata if certain conditions are met. Each transaction has a swap agreement in place to hedge the basis and reset risks arising between the reference indices and frequencies for the loans and the interest on the notes.

Fitch has employed its credit cover multiple methodology in reviewing the deals in order to assess the level of credit support available to each class of notes. 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, see "Scanning the Horizon - Rating Outlooks in European Structured Finance", dated 1 June 2007 and available at [www.fitchratings.com](http://www.fitchratings.com).

Further commentary and performance data on these transactions are available on the agency's subscription website, [www.fitchresearch.com](http://www.fitchresearch.com).

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