

BANCAJA 9 Fondo de Titulización de Activos

RMBS / Spain

*This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of 31-December-2005. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The **definitive** ratings may differ from the **provisional** ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.*

Estimated Closing Date

February 2006

Lead Analyst

Alberto Barbáchano
Analyst
Madrid
+34 91 702-6601
Alberto.Barbachano@moodys.com

Backup Analyst

Alberto Postigo
Assistant Vice President – Analyst
Madrid
+34 91 702-6604
Alberto.Postigo@moodys.com

Investor Liaison

London
Edward Bowden
Investor Liaison Specialist
+44 20 7772-5454
Edward.Bowden@moodys.com
New York
Brett Hemmerling
Investor Liaison Specialist
+1 212 553-4796
Brett.Hemmerling@moodys.com

Client Service Desk

London: +44 20 7772-5454
csdlondon@moodys.com
Madrid: +34 91 702-6616

Monitoring

monitor.london@moodys.com
monitor.madrid@moodys.com

Website

www.moodys.com



Moody's Investors Service

PROVISIONAL (P) RATINGS

Class	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon
A1	(P) Aaa	€[200.0]	10.00	Jun. 07	3mE + [·]%
A2	(P) Aaa	€[1,700.0]	85.00	Sep.43	3mE + [·]%
B	(P) Aa3	€[52.0]	2.60	Sep.43	3mE + [·]%
C	(P) Baa1	€[25.0]	1.25	Sep.43	3mE + [·]%
D	(P) Ba2	€[23.0]	1.15	Sep.43	3mE + [·]%
E	(P) Caa3	€[20.6/24.8]		Sep.43	3mE + [·]%
Total		€[2,020.6/2,024.8]	100.00		

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

OPINION

Strengths of the Transaction

- Credit enhancement provided by the excess spread, a reserve fund and the subordination of the notes
- Reserve fund fully funded upfront to cover potential shortfall in interest and principal
- Interest rate swaps partially covering the interest rate risk
- Excess spread-trapping mechanism through an "18-month artificial write-off" mechanism
- Liquidity line to ensure the full redemption for the Series A1 on the legal final maturity
- No flexible products being securitised – just plain vanilla mortgage loans
- No second-lien products being included
- 100% of the loans are paid via direct debit
- 100% the loans are paid through monthly instalments

Weaknesses and Mitigants

- Most of the debtors have the possibility of enjoying an automatic reduction in their margin in cases where they have been cross-sold other Bancaja products (e.g. investment funds, credit cards) up to a floor of 70 bps. The credit enhancement has been sized accordingly.
- Lack of information (occupancy type); however a penalty was accordingly applied when calculating the credit enhancement.
- Geographical concentration in the region of Valencia (37.72%), mitigated in part by the fact that this is the region of Bancaja's origin, where it has its highest expertise.

17 January 2006

- High LTVs in the portfolio (around 33.20% of the portfolio has high LTVs)
- Pro-rata amortisation of the B, C and D Series of Notes leads to reduced credit enhancement of the senior class in absolute terms.
- The deferral of interest payments on each of Series B, C and D benefits the repayment of the series senior to each of them, but increases the expected loss on Series B, C and D themselves. The reserve fund and the subordination have been sized accordingly to account for this deterioration on the expected loss.

STRUCTURE SUMMARY

Issuer:	BANCAJA 9 Fondo de Titulización de Activos
Structure Type:	Senior / Mezzanine / Subordinated / Reserve fund
Seller/Originator:	Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja, A1/P-1)
Servicer:	Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja, A1/P-1)
Back-up Servicer:	N/A
Interest Payments:	Quarterly on 25 March, June, September and December
Principal Payments:	Pass-through on each payment date
Credit Enhancement/Reserves:	Spread in the portfolio Reserve fund Subordination of the notes
Liquidity Facility:	€28,500,000
Hedging:	Interest rate swaps partially covering the interest rate risk
Principal Paying Agent:	Bancaja, A1/P-1
Management company:	Europea de Titulización S.G.F.T ; S.A (EdT)
Arranger:	Bancaja, Europea de Titulización S.G.F.T ; S.A (EdT)

COLLATERAL SUMMARY

Loan Amount:	€2,209,852,815
Loans Count:	17,239
Pool Cut-off Date:	31-December-2005
WA Original LTV:	76.83%
WA Current LTV:	74.75%
WA Seasoning:	0.93 Years
WA Remaining Term:	27.16 Years
Interest Rate Type:	100% Floating
WA Interest Rate:	3.21%
Geographic Diversity:	Valencia (37.72%), Catalonia (13.86%)
Loan Purpose:	Primarily to acquire or refurbish a residence located in Spain
Loan Size:	€128,189

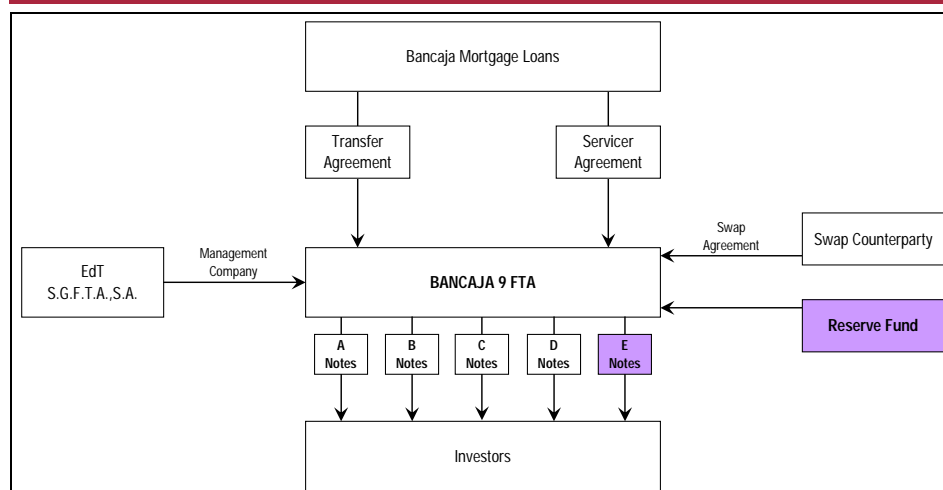
TRANSACTION SUMMARY

This transaction marks the ninth time that Bancaja has tapped the RMBS market. The products being securitised are first-lien mortgage loans granted to individuals, all of whom will use these loans to acquire or refurbish properties located in Spain. All of the mortgage loans were originated by Bancaja, which will continue to service them.

The purpose of the transaction is to obtain liquidity and remove the credit risk linked to mortgages on Bancaja's balance sheet. In this transaction, Bancaja will sell a portfolio of mortgage loans to the Fondo, a special purpose vehicle (SPV). The Fondo will in turn issue six Series of Notes to fund the purchase of the mortgage loan portfolio.

STRUCTURAL AND LEGAL ASPECTS

Structure incorporating the following key features: a partial hedging of the interest rate risk, deferral of interest based on PDL, and funding of the reserve fund through the issuance of a series of notes



Reserve fund fully funded upfront with proceeds from the issuance of the Series E notes to cover potential shortfall in interest and principal

The reserve fund is designed to help the fund meet its payment obligations. Initially funded with the proceeds from the issuance of the Series E Notes, it will be held at Bancaja. The reserve fund will be used to protect the Series A1, A2, B, C and D Notes against interest and principal shortfall on an ongoing basis. The initial required reserve fund will be determined by the management company before closing, taking into account the weighted average margin of the swap as indicated in the following table:

		WA Swap margin		
The reserve fund will be the lesser of the following amounts:		-0.13% - -0.08%	-0.8% - -0.30%	-0.3% - +0.02%
1) Initial reserve fund amount		24,800,000	22,600,000	20,600,000
2) The higher of:				
Outstanding notional balance of the notes multiplied by		2.48%	2.26%	2.06%
Reserve fund floor		13,000,000	12,000,000	11,000,000

However, amortisation of the reserve fund will cease if any of the following scenarios occurs:

- The amount of loans more than 3 months and less than 18 months in arrears exceeds 1.00% of the outstanding balance of the portfolio.
- The available amount under the reserve fund is not equal to the then required amount.
- The weighted average interest rate under the loans is lower than 0.60%.

In addition, the reserve fund will not amortise during the first 36 months of the life of the transaction.

Bancaja will transfer the borrower payments on a weekly basis

The treasury account will be held at Bancaja. The proceeds from the loans, the amounts received under the swap agreement and the cash reserve will be deposited in the treasury account.

Bancaja guarantees an annual yield of the amounts deposited in the treasury account equal to the index reference on the notes.

Moody's has set up some triggers in order to protect the treasury account from any possible downgrade of Bancaja. Should Bancaja's short-term rating fall below **P-1**, the management company will have 30 days within which to find a suitably rated guarantor or substitute as holder of the treasury account.

Interest rate swap to cover interest rate risk

To hedge the risk derived from the interest rate risk (potential mismatch derived from the different index reference rates and reset dates on the assets and on the notes), the *Fondo* will enter into two swap agreements.

The floating-rate loans (referenced to 3 m and 12 m Euribor) have been divided into two groups according to their reset frequency (annual, or semi-annual), resulting in two different swap agreements. For each of these swap agreements:

The notional will be the outstanding amount of the loans included in each of the two groups no more than 18 months in arrears. Over the notional:

- Swap counterparty will pay the index reference rate of the notes plus a variable spread.
- The *Fondo* will pay a weighted average of the 12-month Euribor over the past months for each group, which is designed to replicate the amount of interest corresponding to the index reference rates of each of the groups.

Pro-rata amortisation

As in the previous Bancaja transactions, this transaction also includes pro-rata amortisation, which entails greater risk for the senior class than fully sequential transactions given that the credit enhancement decreases in absolute terms. The Series B, C, and D Notes will start amortising pro rata with the Series A Notes when they represent [10.0]% of the outstanding balance under the Series A1, A2, B, C and D Notes.

Nevertheless, amortisation of Series B, C or D will not take place on the payment date on which any of the following events occurs:

Series B	Series C	Series D
The arrears level exceeds 1.25%	The arrears level exceeds 1.00%	The arrears level exceeds 0.75%
The cash reserve is not funded at the required level		
The loan balance is less than 10% of the initial loan balance		

Series A1 legal final maturity

Series A1 amortises pass-through on each payment date. Until the payment date falling on 25 June 2007, all funds available to the repayment of the notes will be used to repay the Series A1 Notes. On the payment date falling on 25 June 2007, should the amount available on this payment date will not be sufficient to fully redeem Series A1, the management company has entered into a liquidity facility agreement with JP Morgan. Under this agreement, JP Morgan will, if necessary, immediately advance up to €28,500,000.

The liquidity line will amortise so that, on any payment date, the amount available will be the minimum of (1) €28,500,000 and (2) the outstanding amount of Series A1.

Should JP Morgan's short-term rating fall below P-1, it will have to find a suitably rated guarantor or substitute within 30 business days as provider of the liquidity line.

Series E amortisation

The proceeds from the issuance of the Series E notes will be used to fund the reserve fund. The money will be deposited in the treasury account that will be held at Bancaja. The Series E Notes will amortise for an amount equal to the difference between the reserve fund required amount on the previous payment date and the reserve fund required amount on the current payment date.

Priority of payments

On each quarterly payment date, the Fondo's available funds (principal and interest received from the asset pool, the reserve fund, amounts received under the swap agreement and interest earned on the transaction accounts) will be applied in the following simplified order of priority:

- 1) Cost and fees, excluding servicing fee (except in the case of Bancaja being replaced as servicer of the loans)
- 2) Any amount due under the swap agreement
- 3) Interest payment to Series A1, A2 and Interest payment on draw-down amounts (if any) under the liquidity facility
- 4) Interest payment to Series B (if not deferred)
- 5) Interest payment to Series C (if not deferred)
- 6) Interest payment to Series D (if not deferred)
- 7) Amortisation fund
- 8) Interest payment to Series B notes (if deferred)
- 9) Interest payment to Series C notes (if deferred)
- 10) Interest payment to Series D notes (if deferred)
- 11) Replenishment of the reserve fund
- 12) Interest payment to Series E
- 13) Principal payment on Series E
- 14) Termination payment under the swap agreement (except if the Fondo is the defaulting or the sole affected party)
- 15) Junior expenses

Interest deferral trigger

The payment of interest on the Series B, C and D Notes will be brought to a more junior position if, on any payment date, the following criteria are met:

Series B:	The principal deficiency exceeds the sum of 85% of the outstanding amount of Series B + the outstanding amount of Series C + the outstanding amount of Series D and Series A1 and A2 are not fully redeemed
Series C:	The principal deficiency exceeds the sum of 85% of the outstanding amount of Series C + the outstanding amount of Series D Series A1, A2 and B are not fully redeemed
Series D:	The principal deficiency exceeds 85% of the outstanding amount of Series D and Series A1, A2, B and C are not fully redeemed

18-month "artificial write-off" mechanism

The transaction structure for Series A1,A2, B, C and D benefits from an "artificial write-off", which traps available excess spread to cover losses (if any). This type of "artificial write-off" is hidden in the definition of Principal Due, which is the difference between the notes outstanding and the outstanding performing loans (loans less than 18 months in arrears).

COLLATERAL

As of 31 December 2005, the provisional portfolio comprises 17,239 loans for a total amount of €2,209,852,815. The collateral backing the notes' issuance is entirely composed of first-lien mortgage loans granted for the purpose of acquiring, constructing or refurbishing a first residential property for individuals resident in Spain.

Original Balance:	2,537,031,552	Average seasoning in months:	11.18
Current Balance:	2,209,852,815	Average seasoning in years:	0.93
Number of Loans:	17,239	Average time to maturity in years:	27.16
Number of Borrowers:	17,239	Maximum maturity date:	5/Sep/40
Average Loan (Borrower):	128,189	WA interest rate:	3.21%
Average Loan (Property):	128,189	Borrower top 20 as % of Current	
WA Current LTV	74.75%	Balance:	0.77%
WA Original LTV	76.83%		

The original weighted average LTV (WALTV) is 76.83%. The current WALTV is 74.75%. The average loan size is €128,189 and the largest loan is €983,262. The loans are originated between 1996 and 2005 with a weighted average seasoning of 0.93 years. All the loans are paid through monthly instalments, which are debited to accounts held by the debtors at Bancaja.

Chart 1:
Portfolio Breakdown by Region

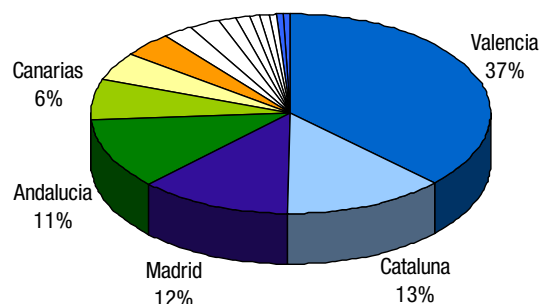


Chart 2:
Portfolio Breakdown by employment type

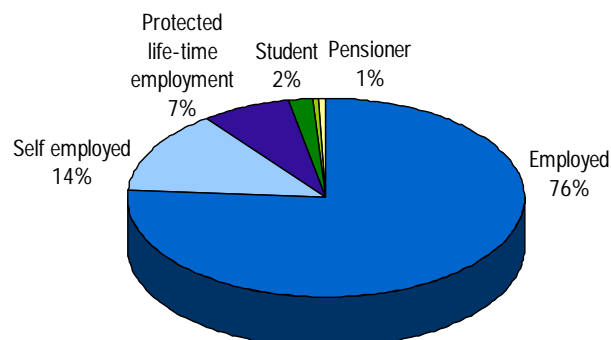
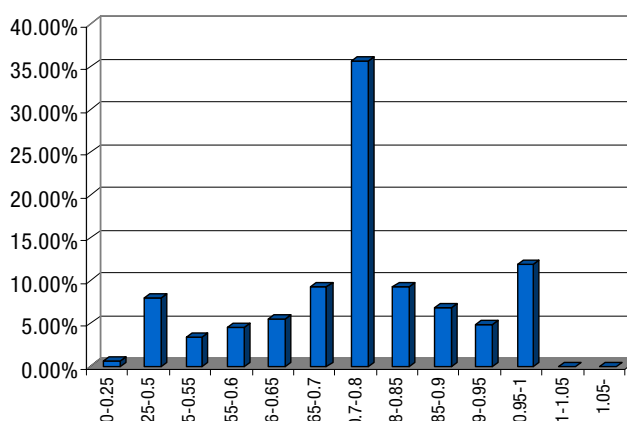


Chart 3:
Portfolio Breakdown by LTV



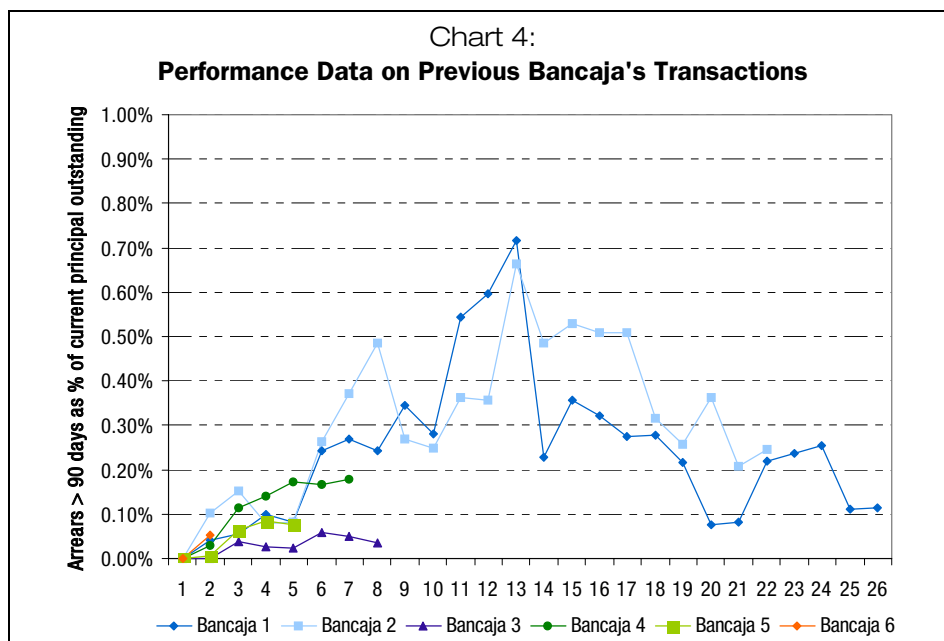
Limitations on renegotiation of both the interest rate and the maturity of the loans

Any renegotiation of the terms and conditions of the loans is subject to the management company's approval. Exceptionally, the management company authorises Bancaja to renegotiate the interest rate or maturity of the loans without requiring its approval. However, Bancaja will not be able to extend the maturity of any loan beyond 05/09/2040. Moreover, the renegotiation of the maturity of the loans is subject to various conditions, of which the following are the most significant:

1. The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.
2. The frequency of payments cannot be decreased.
3. The amortisation profile cannot be modified.

Additionally Bancaja is not allowed to renegotiate any interest rate of the loan if the weighted average interest rate on the floating-rate loans is below 70 bppa.

**Performance data on previous
Bancaja transactions**



Bancaja, the sixth largest financial institution in Spain by assets and with an active presence in the Spanish securitisation market, is the originator of the asset pool

ORIGINATOR, SERVICER AND OPERATIONS REVIEW

Moody's **A1/P-1/C+** ratings for Bancaja reflects the bank's strong retail franchise in the region of Valencia and its sound financial fundamentals, which include good profitability, solid asset quality and strong operating efficiency. The ratings also take into account Bancaja's efforts to diversify its revenue sources as well as its low risk profile, but recognise the possibility that this risk profile could be raised as a result of the bank's expansion into higher-risk activities. The current ratings are well positioned with a stable outlook.

Bancaja's financial profile is typical of those savings banks that have focused on their core business within their local region (approximately 69% of its branch network is based in its home market). Bancaja is not aiming for a nation-wide presence and is focusing its expansion efforts in Catalonia, Madrid and the Balearic Islands.

Bancaja runs a traditional low-risk franchise with a focus on mortgage lending and local SMEs. Asset quality has improved to very good levels during the past few years on the back of a favourable economic environment with low interest rates. Bancaja's conservative credit standards and its traditional low-risk credit portfolio have also played a role in this turnaround. The bank's loan portfolio shows a good level of diversification, although with large exposures concentrated in the real estate sector. Moody's recognises the risk of the real estate development (especially due to the exposure to the hotel and tourism industries in the region of Valencia), but views Bancaja's conservative underwriting standards as reassuring.

MOODY'S ANALYSIS

Determination of lognormal loss distribution.

The first step in the analysis is to determine a loss distribution for the pool of mortgages to be securitised. Due to the high volume of loans and supporting historical data, Moody's uses a continuous distribution model to approximate the loss distribution: lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility associated with this expected loss. These parameters are derived from the Moody's Individual Loan Analysis ("MILAN") model.

In order to extrapolate expected losses for the loan pool, Moody's has compared the underwriting criteria of the originators with those of other mortgage originators in Spain.

Moody's thus determines a number representing the enhancement that would be required for a pool of mortgages to obtain a 'Aaa' rating under highly stressed conditions. This credit enhancement number (the "Aaa CE" number) is obtained by means of a loan-by-loan model.

The “Aaa CE” number is determined by using “MILAN”, Moody’s loan-by-loan model for rating RMBS transactions

“MARCO”, Moody’s cash-flow model, is used to assess the impact of the structural features of RMBS transactions

The “MILAN” model looks at each loan in the pool individually and, based on its individual characteristics such as LTV or other identified drivers of risk, computes a benchmark CE number. This number assumes stressed recovery rates (through house price decline), interest rates and costs of foreclosure, as well as a stressed recovery time. The weighted average benchmark CE number is then adjusted according to the positive and negative characteristics of each loan and to those of the pool as a whole, in order to produce the “Aaa CE” number.

The “Aaa CE” number and the Expected Loss Number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses.

The standard deviation of the distribution is found by setting the probability of a loss greater than the expected loss that is consistent with the Idealised Expected Loss target of the “Aaa CE” number.

Once the loss distribution of the pool under consideration has been computed, a cash flow model, Moody’s Analyser of Residential Cash-Flows (“MARCO”), is used to assess the impact of structural features of the transaction, such as the priorities of interest and principal, and the related triggers, swap features and excess margins, liquidity mechanisms and the value of excess spread.

The sum of the loss experienced per note Class in each scenario, weighted by the probability of such loss scenarios, will then determine the expected loss on each tranche and hence the rating, in line with Moody’s target losses for each rating category.

RATING SENSITIVITIES AND MONITORING

In its capacity as management company, Europea de Titulización S.G.F.T, S.A will prepare quarterly monitoring reports with respect to the portfolio and payments to the notes. These reports will detail the amounts received by the issuer during each collection period and will provide portfolio data.

Moody’s will monitor this transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes to the rating will be publicly announced and disseminated through Moody’s Client Service Desk. For updated monitoring information, please contact monitor.madrid@moodys.com

RELATED RESEARCH

Visit moodys.com for more details

For a more detailed explanation of Moody’s rating approach to this type of transaction, similar transactions and performance data, please refer to the following reports:

1. SPECIAL REPORT: Moody’s Approach to Rating Spanish RMBS: The “MILAN” model, March 2005
2. SPECIAL REPORT: Introducing Moody’s Arrears Index for Spanish Mortgage-Backed Securities, March 2002.
3. SPECIAL REPORT: Moody’s Spanish RMBS Arrears Index: Delinquency Levels Remained Persistently Low in 2002 But Are Likely To Rise Given Weakening Global Economy And Factors Affecting Homeowners’ Indebtedness, May 2003.
4. SPECIAL REPORT: Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004.
5. SPECIAL REPORT: Spanish RMBS Q3 2004 Performance Review, February 2005
6. BANCAJA 1 Pre-Sale report + Performance Overview
7. BANCAJA 2 Pre-sale report + Performance Overview
8. BANCAJA 3 Pre-sale report + Performance Overview
9. BANCAJA 4 Pre-Sale report + Performance Overview
10. BANCAJA 5 Pre-Sale report + Performance Overview
11. BANCAJA 6 Pre-Sale report + Performance Overview
12. BANCAJA 7 Pre-Sale report + Performance Overview
13. MBS BANCAJA 1 Pre-Sale report + Performance Overview
14. FTPYME BANCAJA 1 Pre-Sale report + Performance Overview
15. FTPYME BANCAJA 2 Pre-Sale report + Performance Overview
16. FTPYME BANCAJA 3 Pre-Sale report + Performance Overview

SF67907isf

© Copyright 2006, Moody's Investors Service, Inc. and/or its licensors and affiliates including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved. **ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.** All information contained herein is obtained by **MOODY'S** from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and **MOODY'S**, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall **MOODY'S** have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of **MOODY'S** or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if **MOODY'S** is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. **NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.** Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by **MOODY'S** have, prior to assignment of any rating, agreed to pay to **MOODY'S** for appraisal and rating services rendered by it fees ranging from \$1,500 to \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Moody's Investor Service Pty Limited does not hold an Australian financial services licence under the Corporations Act. This credit rating opinion has been prepared without taking into account any of your objectives, financial situation or needs. You should, before acting on the opinion, consider the appropriateness of the opinion having regard to your own objectives, financial situation and needs.