

**Hecho Relevante de**

**BANCAJA 5 FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **BANCAJA 5 FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 8 de julio de 2015, comunica que ha confirmado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
  - **Serie A:** **AA+sf**, perspectiva estable
  - **Serie B:** **AAsf**, perspectiva estable
  - **Serie C:** **A-sf**, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 9 de julio de 2015.

Mario Masiá Vicente  
Director General

# Fitch Affirms 25 Tranches of Bancaja Series; Upgrades One Tranche

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Fitch Ratings-London-08 July 2015: Fitch Ratings has affirmed 25 tranches and upgraded one tranche of eight Bancaja transactions, a series of Spanish prime RMBS comprising loans originated and serviced by Bankia, S.A. (BB+/Positive/B).

A full list of rating actions is available at the end of this commentary.

## KEY RATING DRIVERS

### Stable Performance

The affirmations reflect the robust performance of the securitised portfolios. Three-month plus arrears across the eight transactions have stabilised over the past 12 months, at between 0.8% (Bancaja 3) and 3% (Bancaja 9) as of the latest reporting periods. The stabilisation reflects both an improved economic environment in Spain, and a lower roll rate of late-stage arrears into default.

However, asset performance diverges between the more seasoned transactions (Bancaja 3 to 7) and the more recent issuance (Bancaja 8, 9 and 13). As of the latest reporting periods, cumulative defaults range between 0.4% (Bancaja 5) and 1.1% (Bancaja 7) compared with the 3.5%, 6.7% and 6% for Bancaja 8, 9 and 13 relative to the original securitised EUR balance. The better performance of the more seasoned transactions is driven by low weighted average Fitch-estimated indexed current loan-to-value mortgages (between 22.4% and 44.2%), which compares with 63.8% in Bancaja 9 and 102.5% in Bancaja 13.

The average seasoning of the collateral across the Bancaja transactions ranges from 12.8 years (Bancaja 4) to 6.5 years (Bancaja 13).

### Reserve Fund Replenishments

The transactions' structures allow for the full provisioning of defaulted loans, which are defined as loans in arrears by more than 18 months. Over the last 12 months gross excess spread has remained adequate to fully provision for defaulted loans and to ensure that the reserve funds remain fully funded in Bancaja 3 to 6. Gross excess spread and recoveries in Bancaja 7, 8, 9 and 13 have been also sufficient to fully cover period defaults, leading to replenishments of the respective reserve funds. The reserve fund levels currently stand at 100%, 81%, 43% and 69% in Bancaja 7, 8, 9 and 13, respectively.

Fitch understands from the issuers that recovery cash flows obtained by the securitisation funds to date are linked to property acquisitions by the originator, rather than foreclosure management on real estate assets that secure the mortgage loans. As Fitch considers this practice to be unsustainable under stress scenarios, the credit and rating analysis incorporates the property and recovery stresses that Fitch defines within its Spanish RMBS criteria.

The Outlook on class A2 in Bancaja 7 was revised to Stable from Positive in expectation of a switch to pro-rata amortisation from sequential as the now fully replenished reserve fund will limit the credit enhancement build-up for the notes. The Negative Outlooks on the junior class D notes of Bancaja 7 and all notes in Bancaja 9 and 13 reflect Fitch's expectations of future reserve draws, despite the recent replenishments, due to late stage arrears (on average 2.3%) being higher than Spanish average (1.6%).

#### Broker Loans Foreclosure Frequency Adjustment

The rating actions taken today are also substantiated by Fitch's application of a reduced default probability to broker-originated loans of 100%, rather than the criteria standard 200%.

While Fitch believes broker-originated loans are typically exposed to greater performance volatility than loans originated via traditional bank branches, the seasoned broker-originated loans that are current in terms of payment have demonstrated resilience in periods of economic crisis. We therefore expect those loans to maintain their stronger performance than traditional branch-originated loans.

The presence of broker originated loans in the transactions range from 25% in Bancaja 3 to 54% in Bancaja 4. This calibration is explained by the comparable performance observed on broker-originated loans versus loans originated via traditional channels, which has been possible as of end-March 2015 via the loan-by-loan data sets provided by the European Data Warehouse.

#### RATING SENSITIVITIES

Deterioration in asset performance may result from economic factors, in particular the increasing effect of unemployment. A corresponding increase in new defaults and associated pressure on excess spread levels and reserve funds could result in negative rating action.

#### DUE DILIGENCE USAGE

No third party due diligence was provided or reviewed in relation to this rating action.

#### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset portfolios and the transaction. Consistency checks performed for Bancaja 13 indicated some minor discrepancies in the arrears levels reported between the latest loan level

data and the corresponding aggregate investor reporting. Fitch applied an upward adjustment to the default probabilities to reflect the potential inaccuracy in the data. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the Bancaja 3, 4, 5, 6, 7, 8 and 9, FTA initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Prior to assignment of ratings to Bancaja 13 in April 2011, Fitch reviewed the results of a third party assessment conducted on the asset portfolio information ahead of initial closing in December 2008, which indicated no adverse findings material to the rating analysis.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

#### SOURCES OF INFORMATION

The information below was used in the analysis.

- Loan-by-loan data provided by Europea de Titulizacion SGFT, S.A. as at March 2015
- Loan-by-loan data provided by European Data Warehouse as at March 2015 in Bancaja 3, 4 and 9; February 2015 in Bancaja 6 and 7 and January 2015 in Bancaja 5, 8 and 13.
- Transaction reporting provided by Europea de Titulizacion SGFT, S.A. as at March 2015 in Bancaja 3 and 4; April 2015 in Bancaja 5, 8 and 13; May 2015 in Bancaja 6 and 7 and June 2015 in Bancaja 9.

#### MODELS

The model below was used in the analysis. Click on the link for a description of the model.

[https://www.fitchratings.com/web\\_content/pages/rmbs/emea-rmbs-surveillance-model.htm](https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm)

Fitch has taken the following rating actions:

Bancaja 3, FTA

Class A (ISIN ES0312882006): affirmed at 'AA+sf'; Outlook Stable

Class B (ISIN ES0312882014): affirmed at 'AA+sf'; Outlook Stable

Class C (ISIN ES0312882022): upgraded to 'BBB+sf' from 'BBBsf'; Outlook Stable

Bancaja 4, FTH

Class A (ISIN ES0312883004): affirmed at 'AA+sf'; Outlook Stable

Class B (ISIN ES0312883012): affirmed at 'AA-sf'; Outlook Stable  
Class C (ISIN ES0312883020): affirmed at 'BBB+sf'; Outlook Stable

#### Bancaja 5, FTA

Class A (ISIN ES0312884002): affirmed at 'AA+sf'; Outlook Stable  
Class B (ISIN ES0312884010): affirmed at 'AAsf'; Outlook Stable  
Class C (ISIN ES0312884028): affirmed at 'A-sf'; Outlook Stable

#### Bancaja 6, FTA

Class A2 (ISIN ES0312885017): affirmed at 'AA+sf'; Outlook Stable  
Class B (ISIN ES0312885025): affirmed at 'AA+sf'; Outlook Stable  
Class C (ISIN ES0312885033): affirmed at 'Asf'; Outlook Stable

#### Bancaja 7, FTA

Class A2 (ISIN ES0312886015): affirmed at 'AA-sf'; Outlook revised to Stable from Positive  
Class B (ISIN ES0312886023): affirmed at 'AA-sf'; Outlook Stable  
Class C (ISIN ES0312886031): affirmed at 'A-sf'; Outlook Stable  
Class D (ISIN ES0312886049): affirmed at 'BBsf'; Outlook Negative

#### Bancaja 8, FTA

Class A (ISIN ES0312887005): affirmed at 'AA+sf'; Outlook Stable  
Class B (ISIN ES0312887013): affirmed at 'Asf'; Outlook Stable  
Class C (ISIN ES0312887021): affirmed at 'BBBsf'; Outlook Stable  
Class D (ISIN ES0312887039): affirmed at 'BBsf'; Outlook Stable

#### Bancaja 9, FTA

Class A2 (ISIN ES0312888011): affirmed at 'Asf'; Outlook Negative  
Class B (ISIN ES0312888029): affirmed at 'BBBsf'; Outlook Negative  
Class C (ISIN ES0312888037): affirmed at 'BBsf'; Outlook Negative  
Class D (ISIN ES0312888045): affirmed at 'Bsf'; Outlook Negative  
Class E (ISIN ES0312888052): affirmed at 'CCsf'; Recovery Estimate revised to 0% from 50%

#### Bancaja 13, FTA

Class A (ISIN ES0312847009): affirmed at 'A-sf'; Outlook Negative

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### **Applicable Criteria**

EMEA Residential Mortgage Loss Criteria (pub. 31 Mar 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=864266](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=864266))

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 14 May 2014)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=744158](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744158))

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 14 May 2014) ([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=744175](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744175))

Criteria Addendum: Spain - Residential Mortgage Assumptions (pub. 10 Jun 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=866760](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=866760))

Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds (pub. 20 Feb 2015) ([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=862115](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=862115))

EMEA RMBS Cash Flow Analysis Criteria (pub. 31 Mar 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=864265](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=864265))

EMEA RMBS Master Rating Criteria (pub. 31 Mar 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=864273](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=864273))

Global Structured Finance Rating Criteria (pub. 06 Jul 2015)

([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=867952](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=867952))

### **Additional Disclosures**

Dodd-Frank Rating Information Disclosure Form

([https://www.fitchratings.com/creditdesk/press\\_releases/content/ridf\\_frame.cfm?pr\\_id=987594](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=987594))

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Endorsement Policy (<https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces?context=2&detail=31>)

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