Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Hecho Relevante de FTPYME BANCAJA 2 FONDO DE TITULIZACION DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **FTPYME BANCAJA 2 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 20 de mayo de 2014, comunica que ha bajado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie B**: **BBBsf**, perspectiva estable (anterior **Asf**, perspectiva negativa)
  - **Serie C**: **CCCsf** (anterior **Bsf**, perspectiva negativa)

  Asimismo, Fitch ha confirmado la calificación asignada a la restante Serie de Bonos:
  - **Serie A3(G)**: **AA+sf**, perspectiva estable

  Se adjunta la comunicación emitida por Fitch.

Madrid, 21 de mayo de 2014.

Mario Masiá Vicente
Director General

FITCH DOWNGRADES FTPYME BANCAJA 2, F.T.A. CLASS B AND C NOTES

Fitch Ratings-London-20 May 2014: Fitch Ratings has downgraded FTPYME Bancaja 2, F.T.A.'s class B and C notes, and affirmed class A3(G) notes as follows:

EUR4m Class A3(G) (ISIN ES0339751028): affirmed at 'AA+sf'; Outlook Stable
EUR12.1m Class B (ISIN ES0339751036): downgraded to 'BBBsf' from 'Asf'; Outlook Stable
EUR4.4m Class C (ISIN ES0339751044): downgraded to 'CCCsf' from 'Bsf'; Recovery estimate 40%

FTPYME Bancaja 2, F.T.A., is a granular cash flow securitisation of a static portfolio of secured and unsecured loans granted to Spanish small- and medium-sized enterprises by Bancaja (now part of Bankia S.A rated BBB-/Negative/F3).

KEY RATING DRIVERS
The downgrade of the class B notes to 'BBBsf' from 'Asf' reflects potential volatility in the amount of excess spread available to this class of notes. Fitch has found that due to increasing obligor concentration in the portfolio the structure fails to efficiently trap excess spread and deleverage the transaction in a 'Asf' rating stress, leading to principal shortfalls for the class B notes. The impact of this loss of excess spread offsets the improved portfolio performance over the last 12 months.

The transaction features a mechanism whereby once the principal deficiency ledger (PDL) balance exceeds the class C notional, funds that would otherwise be used to pay class C interest are instead applied towards the redemption of the class A3(G) and class B notes. This condition introduces volatility in the amount of excess spread available to the class B notes if the PDL balance is close to the class C notional such that the default and recovery of a single loan can change the class C interest deferral from period to period. Additionally, if the class C notes are only partially under-collateralised, principal proceeds are used to pay class C interest, eroding credit enhancement for all notes.

The downgrade of the class C notes reflects the risk that the notes will become under-collateralised as continuing defaults erode the share of performing assets in the portfolio.

The affirmation of the class A3(G) notes reflects the high credit enhancement available to the notes, which mitigates the performance volatility observed in the portfolio. Loans in arrears of more than 90 days currently account for 1.8% of the outstanding portfolio balance, down from 7.4% in May 2013. However, during the same period the share of defaulted loans in the portfolio increased to EUR4.8m (19.3% of the outstanding portfolio balance) from EUR3.7m (12.2%).

The transaction was able to realise only limited recoveries during the last year. It relied on the reserve fund to provision for defaults. As a consequence, the reserve fund has declined to EUR1.1m in April 2014 from EUR3.1m in May 2013. The transaction considers loans in arrears of more than 18 months as defaulted.

RATING SENSITIVITIES
Applying a 1.25x default rate multiplier to all assets in the portfolio would not result in a downgrade of the notes.

Applying a 0.75x recovery rate multiplier to all assets in the portfolio would result in a downgrade of the notes by at most one notch.

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Additional information is available on www.fitchratings.com

Source of information: The information used to assess these ratings was sourced from periodic investor reports and the trustee.

Applicable criteria 'Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)', dated 5 March 2014; 'Counterparty Criteria for Structured Finance and Covered Bonds', dated 14 May 2014; 'Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds', dated 11 April 2014 are available at www.fitchratings.com.

Applicable Criteria and Related Research:
Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=737615
Counterparty Criteria for Structured Finance and Covered Bonds
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744158
Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=741479