

**Hecho Relevante de                      MBS BANCAJA 2 FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **MBS 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 29 de enero de 2019, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos:
  - **Serie C:**    **AAAsf**, perspectiva estable            (anterior **AA+sf**)
  - **Serie D:**    **AA+sf**, perspectiva estable            (anterior **AA-sf**)
  - **Serie E:**    **A-sf**, perspectiva estable                (anterior **BBB+sf**)

Asimismo, Fitch ha confirmado las calificaciones asignadas a las restantes Series de Bonos:

- **Serie A:**    **AAAsf**, perspectiva estable
- **Serie B:**    **AAAsf**, perspectiva estable
- **Serie F:**    **CCsf**, recuperación estimada 0%

Se adjunta la comunicación emitida por Fitch.

Madrid, 29 de enero de 2019.



## Fitch Upgrades 11 Tranches of MBS Bancaja; Affirms 5

Fitch Ratings-London-29 January 2019: Fitch Ratings has upgraded 11 tranches of three MBS Bancaja transactions and affirmed five tranches. 13 tranches have been removed from Rating Watch Positive (RWP). A full list of rating actions is at the end of this rating action commentary.

The transactions are Spanish prime RMBS comprising loans serviced by Bankia S.A. (BBB-/Positive/F3).

### KEY RATING DRIVERS

#### Counterparty Criteria Updated

Fitch placed the 13 tranches on RWP on 18 June 2018 following the publication of its Structured Finance and Covered Bonds Counterparty Rating Criteria Exposure Draft, and in particular the change in the way commingling risk is addressed. Based on the current criteria, Fitch views commingling risk as immaterial in these transactions, so that the agency no longer sizes for losses in the analysis.

#### Increasing Credit Enhancement (CE)

All transactions include amortisation mechanisms that allow the notes to be repaid on a pro-rata basis as long as performance and tranche thickness (tranche size relative to total outstanding) triggers are fulfilled. On the next interest payment date, all transactions are expected to pay sequentially due to the reserve fund trigger breach for MBS Bancaja 2 and 3 and the 3m+ delinquency trigger breach for MBS Bancaja 4.

MBS Bancaja 2's cash reserve fund (RF) has amortised to its floor of EUR5 million. This will allow CE to build up as the pool will amortise. For MBS Bancaja 3 and 4, the RFs are yet to amortise.

Fitch views CE across the series as sufficient to withstand the associated rating stresses, which is reflected in the affirmations and upgrades.

#### Stable Credit Performance and High Seasoning

The transactions continue to show sound asset performance. The balance of loans with over three payments in arrears as a percentage of the current pool balance were between 0.5% and 1.2% as of the relevant cut-off date for each of the transactions. Fitch expects performance to remain

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to the base foreclosure frequency assumption to the portion of the portfolio that exceeds 2.5x the population within these regions.

#### RATING SENSITIVITIES

A downgrade of Spain's Issuer Default Rating and Country Ceiling could result in a reduction in the highest achievable rating (currently 'AAAsf').

Counterparty downgrades, followed by insufficient remedial action, could result in downgrades.

Deterioration in asset performance beyond those captured in Fitch's analysis, could result in negative rating action.

#### USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch 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 pools and the transactions.

Fitch applied the following data adjustments to the loan-level data. Fitch assumed the proportion of second homes in the portfolios was the same as at the closing date. For missing primary income information Fitch assumed an income of EUR1. For MBS Bancaja 4 Fitch assumed that loans with a maturity date change in the last four years were restructured loans between 12 and 24 months prior to the analysis date. 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 transactions' 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. Overall and together with the assumptions referred to above, 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 level data sourced from the European Data-Warehouse with the following cut-off dates:

- 30 November 2018 for MBS Bancaja 2, FTA
- 31 December 2018 for MBS Bancaja 3, FTA
- 31 October 2018 for MBS Bancaja 4, FTA

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MODELS  
ResiGlobal.

EMEA Cash Flow Model.

The rating actions are as follows:

MBS Bancaja 2, FTA

Class A (ES0361795000) affirmed at 'AAAsf'; Outlook Stable

Class B (ES0361795018) affirmed at 'AAAsf'; Outlook Stable

Class C (ES0361795026) upgraded to 'AAAsf' from 'AA+sf'; off RWP; Outlook Stable

Class D (ES0361795034) upgraded to 'AA+sf' from 'AA-sf'; off RWP; Outlook Stable

Class E (ES0361795042) upgraded to 'A-sf' from 'BBB+sf'; off RWP; Outlook Stable

Class F (ES0361795059) affirmed at 'CCsf'; Recovery Estimate 0%

MBS Bancaja 3, FTA

Class A2 (ES0361796016) upgraded to 'AAAsf' from 'AA-sf'; off RWP; Outlook Stable

Class B (ES0361796024) upgraded to 'AA+sf' from 'A+sf'; off RWP; Outlook Stable

Class C (ES0361796032) upgraded to 'AA-sf' from 'Asf'; off RWP; Outlook Stable

Class D (ES0361796040) upgraded to 'A-sf' from 'BBB-sf'; off RWP; Outlook Stable

Class E (ES0361796057) affirmed at 'CCsf'; off RWP; Recovery Estimate revised to 0% from 40%

MBS Bancaja 4, FTA

Class A2 (ES0361797014) upgraded to 'AAAsf' from 'AA-sf'; off RWP; Outlook Stable

Class B (ES0361797030) upgraded to 'A+sf' from 'BBB+sf'; off RWP; Outlook Stable

Class C (ES0361797048) upgraded to 'A-sf' from 'BBB-sf'; off RWP; Outlook Stable

Class D (ES0361797055) upgraded to 'BBBs' from 'BBs'; off RWP; Outlook Stable

Class E (ES0361797063) affirmed at 'CCsf'; off RWP; Recovery Estimate revised to 0% from 40%

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

Applicable Criteria

European RMBS Rating Criteria (pub. 21 Dec 2018)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 02 Feb 2018)

Global Structured Finance Rating Criteria (pub. 15 May 2018)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 01 Aug 2018)

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2018)

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 23 Oct 2018)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 02 Feb 2018)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

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