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COMUNICACIÓN DE HECHO RELEVANTE

Cédulas Tda 7, FONDO DE TITULIZACIÓN DE ACTIVOS
Bajada de Calificación Fitch a Caja Madrid

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

I. Respecto al Fondo arriba mencionado y de acuerdo con la información publicada por Fitch Ratings el día 4 de febrero, el rating de la entidad Caja Madrid, ha sido rebajado a largo plazo de A a A-, y el rating a corto plazo ha sido rebajado de F1 a F2. Este hecho afecta a Caja Madrid, al ser Agente de Pagos y entidad donde está abierta la Cuenta de Tesorería del Fondo. Por lo tanto, y al objeto de mantener la calificación de los bonos emitidos por el Fondo, se iniciarán los procesos necesarios de acuerdo a los criterios de la agencia de calificación.

II. Adjuntamos nota de prensa de Fitch, por la que se comunican a esta Sociedad Gestora la bajada de calificación de la mencionada entidad.

En Madrid a 11 de febrero de 2011

Ramón Pérez Hernández
Director General

FitchRatings

Tagging Info

Fitch Rates Banco Financiero y de Ahorros Group 'A-'; Downgrades Banco de Valencia to 'BBB-'

Ratings
04 Feb 2011 11:45 AM (EST)

Fitch Ratings-Barcelona/London-04 February 2011: Fitch Ratings has assigned Spain's Banco Financiero y de Ahorros Group (BFA Group) and Banco Financiero y de Ahorros, S.A. (BFA) Long-term Issuer Default Ratings (IDR) of 'A-', Short-term IDRs of 'F2', Support Ratings of '1' and Support Rating Floors of 'A-'. BFA Group has been assigned an Individual Rating of 'D'. The Outlook on the Long-term IDR is Stable.

Fitch has also downgraded Banco de Valencia's (Banco Valencia) Long-term IDR to 'BBB-' from 'BBB'. The Rating Watch Evolving (RWE) on the Long-term IDR has been revised to Rating Watch Negative (RWN) and the Individual Rating of 'C/D' has been placed on RWN. The bank's IDR is driven by its Individual Rating and not by support from BFA. Banco Valencia's ratings continue to be under pressure from continuing deterioration in profitability and asset quality in 2010 in the context of Spain's weak economic environment. It also remains wholesale funding reliant and will find it challenging to reduce this reliance as competition for customer deposits is intense and it will have to refinance maturities under difficult market conditions. Fitch expects that it will resolve the RWN in the next three months following another review of the bank.

A full list of all rating actions for the BFA group, its constituents and Banco Valencia is at the end of this comment.

The ratings assigned to BFA Group are based on the analysis of the consolidated group. BFA Group was created on December 2010 in conjunction with the restructuring of Spain's savings banks, as a consolidated Group, comprising Caja de Ahorros y Monte de Piedad de Madrid (Caja Madrid), Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja), Caixa d'Estalvis Laietana (Caixa Laietana), Caja Insular de Canarias (Caja Insular), Caja de Ahorros y Monte de Piedad de Avila (Caja Avila), Caja de Ahorros y Monte de Piedad de Segovia (Caja Segovia), Caja de Ahorros de Rioja (Caja Rioja) and BFA. BFA is the group's central body and the parent bank for consolidation purposes.

Strong principles of cooperation will be in place at the group, which has been formed under an Institutional Protection Scheme (SIP). Under the SIP contract, mutual cross-support mechanisms are in place at the group, designed to ensure that liquidity and solvency remain fungible amongst group entities sharing in such support schemes. Given the SIP mechanism, the same IDRs apply to all members participating in the mutual cross-support scheme. The group's Long-term IDR is driven by support and is at the Support Rating Floor, reflecting Fitch's opinion that there is an extremely high probability of support, if required, from the Spanish authorities given the group's systemic importance.

The Individual Ratings, Support Ratings and Support Rating Floors of the three cajas rated by Fitch, which now form part of BFA Group have been withdrawn following the reorganisation of the rated entities into the SIP.

BFA Group's Individual Rating reflects integration risks, concentration in the construction and real estate sectors and deteriorated asset quality amid muted growth prospects in Spain, wholesale funding reliance and the need to improve capital. However, it also takes into account a strong national franchise as Spain's largest caja group and good efficiency indicators.

BFA Group issued EUR4,465m in convertible preference shares (convertible into "cuotas participativas"), subscribed by the Fund for Orderly bank Restructuring (FROB; see comment "Fund for Orderly Bank Restructuring - Spain" dated 3 July 2009 on www.fitchratings.com), which qualify as regulatory core capital. BFA Group's core capital was 7% at end-2010, but cajas remain under pressure to increase this ratio to a minimum of 8% by end-2011, in line with the announcement recently made by the Spanish government. Management aims to achieve this through a share capital increase and the listing of the bank in 2011.

BFA Group's profitability will remain under pressure from low interest rates, higher funding costs and lower business volumes as well as restructuring costs. However, in 2011, there will be some respite from the charge of early retirement costs and the bringing forward of impairment reserves in 2010. In the medium term, further cost synergies should be achieved through branch rationalisation plans and the implementation of a common IT platform, which should help the group return FROB funds within five years.

The group's concentration risk to the Spanish construction and real estate sectors remains high and it has been active in foreclosing real estate assets. Fitch considers that the current downturn of the property market means it will take time for BFA Group to reduce risk concentration and sell its stock of foreclosed assets. The impaired/total loans ratio had deteriorated to 6.5% at end-2010 (a high 9.5% including net foreclosed assets), although the loan loss coverage stood at a reasonable 61%, helped by the front-loading of expected losses in 2010.

BFA Group's funding profile, which is reliant on the wholesale markets, is a significant weakness given the cajas' present difficulties in funding themselves in the markets. While the group has significant funding maturities in 2011 and 2012, management intends to help meet them through increasing its retail deposit and de-leveraging its balance sheet. In addition, the group has EUR15.9bn liquid assets to discount at the ECB, which would help meet 2011 and 2012 funding maturities.

BFA Group is Spain's largest caja group and the country's third-largest financial institution, with about EUR328bn in assets at end-2010 and a domestic market share of deposits of about 12%. The group is largely retail-focused in Madrid, Catalonia and Levante, although it also has a national franchise.

Fitch has changed Banco Valencia's Support Rating to '3' from '2' and has assigned a Support Rating Floor of 'BB-'. This reflects that although Banco Valencia is a 38.4%-owned subsidiary of BFA, it does not benefit from the cross-guarantee mechanism of the SIP and remains a financial investment. As such, Fitch believes that there would be a moderate probability of support for Banco Valencia from the Spanish financial authorities, if needed and not from BFA.

Fitch has also downgraded hybrid capital instruments issued by Caja Madrid, Bancaja and Caixa Laietana to 'B-' to reflect the agency's opinion of increased coupon deferral risk

The rating actions are as follows:

BFA Group:
Long-term IDR: assigned at 'A-'; Outlook Stable
Short-term IDR: assigned at 'F2'
Individual Rating: assigned at 'D'
Support Rating: assigned at '1'
Support Rating Floor: assigned at 'A-'

BFA:
Long-term IDR: assigned at 'A-'; Outlook Stable
Short-term IDR: assigned at 'F2'
Support Rating: assigned at '1'
Support Rating Floor: assigned at 'A-'

Caja Madrid:
Long-term IDR: downgraded to 'A-' from 'A', removed from RWN; Outlook Stable
Short-term IDR: downgraded to 'F2' from 'F1', removed from RWN
Individual rating: downgraded to 'D' from 'B/C', removed from RWN and rating withdrawn
Support Rating: upgraded to '1' from '2', removed from Rating Watch Positive (RWP) and rating withdrawn
Support Rating Floor: upgraded to 'A-' from 'BBB', removed from RWP and rating withdrawn
Senior Unsecured Debt: downgraded to 'A-' from 'A', removed from RWN
Market linked securities: downgraded to 'A-emr' from 'Aemr', removed from RWN
Subordinated debt: downgraded to 'BBB+' from 'A-', removed from RWN
Preference shares: downgraded to 'B-' from 'BBB', removed from RWN
State-guaranteed notes: affirmed at 'AA+'

Bancaja:
Long-term IDR: upgraded to 'A-' from 'BBB', removed from RWP; Outlook Stable
Short-term IDR: upgraded to 'F2' from 'F3', removed from RWP
Individual rating: downgraded to 'D' from 'C/D', removed from Rating Watch Evolving (RWE) and rating withdrawn
Support Rating: upgraded to '1' from '3', removed from RWP and rating withdrawn
Support Rating Floor: upgraded to 'A-' from 'BB+', removed from RWP and rating withdrawn
Senior Unsecured Debt: upgraded to 'A-' from 'BBB', removed from RWP
Subordinated debt: upgraded to 'BBB+' from 'BBB-', removed from RWP
Upper tier 2: downgraded to 'B' from 'BB+', removed from RWE
Preference shares: downgraded to 'B-' from 'BB-', removed from RWE
State-guaranteed notes: affirmed at 'AA+'

Caixa Laietana:
Long-term IDR: upgraded to 'A-' from 'BBB-', removed from RWP; Outlook Stable
Short-term IDR: upgraded to 'F2' from 'F3', removed from RWP
Individual rating: downgraded to 'D' from 'C/D', removed from RWE and rating withdrawn
Support Rating: upgraded to '1' from '3', removed from RWP and rating withdrawn
Support Rating Floor: upgraded to 'A-' from 'BB+', removed from RWP and rating withdrawn
Preference shares: downgraded 'B-' from 'B+', removed from RWE
State-guaranteed notes: affirmed at 'AA+'

Caja Avila and Caja Segovia:
State-guaranteed notes: affirmed at 'AA+'

The downgrade of the bank does not have any impact on the rating of the covered bonds.

Banco Valencia:
Long-term IDR: downgraded to 'BBB-', RWE revised to RWN
Short-term IDR: 'F3', RWE revised to RWN
Individual rating: 'C/D', placed on RWN
Support Rating: changed to '3' from '2', removed from RWE
Support Rating Floor: assigned at 'BB-'
Senior Unsecured Debt: downgraded to 'BBB-' from 'BBB', RWE revised to RWN
Subordinated debt: downgraded to 'BB+' from 'BBB-', RWE revised to RWN
Preference shares: downgraded to 'B+' from 'BB-', RWE revised to RWN

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Additional information is available at www.fitchratings.com.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 16 August 2010, 'Rating Hybrid Securities', dated 29 December 2009, 'Equity Credit for Hybrids & Other Capital Securities - Amended', dated 29 December 2009, 'Short-term Ratings Criteria for Corporate Finance', dated 12 June 2007, and 'Rating Criteria for European Banking Structures Backed by Mutual Support Mechanisms', dated 30 December 2009 are available at www.fitchratings.com.

In Fitch's rating criteria, a bank's standalone risk is reflected in Fitch's Individual ratings and the prospect of external support is reflected in Fitch's Support ratings. Collectively these ratings drive Fitch's Long- and Short-term IDRs.

Applicable Criteria and Related Research:
Global Financial Institutions Rating Criteria
Rating Hybrid Securities
Equity Credit for Hybrids & Other Capital Securities - Amended
Short-Term Ratings Criteria for Corporate Finance
Rating Criteria for European Banking Structures Backed by Mutual Support Mechanisms