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Dirección General de Mercados e Inversores
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COMUNICACIÓN DE HECHO RELEVANTE

TDA CAM 11, FONDO DE TITULIZACIÓN DE ACTIVOS Bajada de Calificación de Fitch a CAM

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 1 de abril, el rating a largo plazo de CAM ha sido rebajado de BBB+ a BB+, y el rating a corto plazo ha sido rebajado de F2 a B. Este hecho afecta a CAM como contrapartida del contrato de permuta financiera y como administrador de los préstamos titulizados por el 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 comunica la bajada de calificación de la mencionada entidad.

En Madrid a 08 de abril de 2011

Ramón Pérez Hernández
Director General

Fitch Downgrades CAM to 'BB+'; Keeps Cajastur and Caja Extremadura on RWN

Ratings

01 Apr 2011 9:33 AM (EDT)

Fitch Ratings-London/Barcelona-01 April 2011: Fitch Ratings has downgraded Caja de Ahorros del Mediterraneo's (CAM) Long-term Issuer Default Rating (IDR) to 'BB+' from 'BBB+' with a Stable Outlook, Short-term IDR to 'B' from 'F2' and Individual Rating to 'E' from 'C'. CAM's Long-term IDR is now at its Support Rating Floor. At the same time, Fitch has maintained Caja de Ahorros de Asturias (Cajastur) and Caja de Ahorros y Monte de Piedad de Extremadura's (Caja Extremadura) Long-term IDRs of 'A-' on Rating Watch Negative (RWN). The agency has revised the Rating Watch Evolving (RWE) on Banco de Castilla-La Mancha's (Banco CLM) 'BBB+' Long-term IDR to RWN. A full list of rating actions is at the end of this comment.

The rating actions follow the break-up of the integration plan for these savings banks or 'cajas' to form a mutual cross-support scheme together with Caja de Ahorros de Santander y Cantabria (not rated by Fitch).

The downgrade of CAM's Individual Rating reflects that the caja will require external support as a result of low capital levels in the context of asset quality deterioration and the Bank of Spain's more stringent capital requirements. Following significant average loan growth of 30% between 2004 and 2007, CAM had built-up significant exposure to the troubled Spanish construction and real estate sector (around 28% of end-2009 loans). As per its non-consolidated accounts, CAM's impaired to total loans ratio was 8.7% at end-2010 and Fitch estimates that this would rise to around 14.5% if gross foreclosed assets are included. Impaired loans and foreclosed assets are 62% and 28% covered by reserves, respectively.

Other challenges CAM faces include a substantial decline in operating profitability in 2010, mainly as a result of a sharp narrowing of its net interest margin, reflecting the low interest rate environment and high cost of the wholesale funding sources on which it is reliant. Fitch expects funding pressures on CAM to persist as the wholesale funding markets remain closed for many Spanish issuers. Capital levels are tight with a regulatory core capital ratio of 5.8% at end-June 2010. The agency believes support could be forthcoming through a capital injection by the government's Fund for Orderly Bank Restructuring and/or a merger with a stronger and larger institution. The former is why CAM's IDR is at the Support Rating Floor of 'BB+'.

The maintenance of the RWN on Cajastur's and Caja Extremadura's IDRs reflects the challenges of operating in Spain's weak economic environment. Furthermore, there has been significant consolidation in the caja sector and both these entities are now small relative to other players. Fitch believes consolidation of the sector is essential and it welcomes the Spanish government's drive to achieve this. Fitch recognises that reaching agreement on the terms of mergers and integration plans is not easy but the agency believes this must be achieved in a short period of time. Failure to integrate into a larger group in the short term would result in a downgrade of Cajastur's and Caja Extremadura's Long-term IDRs and Individual Ratings. Banco CLM's IDRs are driven by the institutional support of its majority shareholder, Cajastur, which holds 75% of the bank. These IDRs are notched down from those of Cajastur, which is why the RWE has been revised to RWN.

Both Cajastur and Caja Extremadura continued to report sound profitability and capital levels in 2010. Their profitability has held up well with net interest margins declining moderately. Cajastur and Caja Extremadura's regulatory core capital ratios were 8.6% and 9%, respectively, at end-June 2010.

In terms of asset quality, Cajastur's consolidated loan book has been affected by the integration of Banco CLM. However, EUR6.9bn of Banco CLM's loan portfolio (24% of Cajastur's consolidated loan book at end-September 2010) is covered by an asset protection scheme of EUR2.5bn as well as EUR1.2bn in reserves built-up. Banco CLM is the spin-off of the retail banking asset and liabilities of the former Caja de Ahorros de Castilla-La Mancha, which was the subject of intervention by the Bank of Spain in March 2009. Cajastur's impaired to total loans ratio stood at a high 13.5% (including gross foreclosed assets) at end-September 2010 with coverage of 98%, reflecting the mentioned asset protection scheme and loan impairment reserves built-up at Banco CLM. Caja Extremadura's impaired to total loans ratio was 5.4% (including gross foreclosed assets) at this same date and loan impairment coverage was 85%.

The rating actions are as follows:

CAM:

Long-term IDR: downgraded to 'BB+' from 'BBB+', removed from RWE; Outlook Stable

Short-term IDR: downgraded to 'B' from 'F2', removed from RWN

Individual Rating: downgraded to 'E' from 'C', removed from RWE

Support Rating: affirmed at '3', removed from Rating Watch Positive (RWP)

Support Rating Floor: affirmed at 'BB+', removed from RWP

Senior Unsecured Debt: downgraded to 'BB+' from 'BBB+', removed from RWE

Subordinated debt: downgraded to 'BB' from 'BBB', removed from RWE

Upper Tier 2 subordinated debt: downgraded to 'CC' from 'BBB-', removed from RWE
Preference shares: downgraded to 'C' from 'BB', removed from RWE
State-guaranteed notes: affirmed at 'AA+'

Cajastur:

Long-term IDR: 'A-', maintained on RWN
Short-term IDR: affirmed at 'F2', removed from RWN
Individual Rating: 'B/C', maintained on RWN
Support Rating: affirmed at '3', removed from RWP
Support Rating Floor: affirmed at 'BB+', removed from RWP
State-guaranteed debt: affirmed at 'AA+'

Banco de Castilla-La Mancha:

Long-term IDR: 'BBB+', changed to RWN from RWE
Short-term IDR: 'F2', maintained on RWN
Support Rating: affirmed at '2'
Senior unsecured debt: 'BBB+', changed to RWN from RWE
Lower Tier 2 subordinated debt: 'BBB', changed to RWN from RWE
Upper Tier 2 subordinated debt: 'BBB-', changed to RWN from RWE

Caja Extremadura:

Long-term IDR: 'A-', maintained on RWN
Short-term IDR: affirmed at 'F2', removed from RWN
Individual Rating: 'B/C', maintained on RWN
Support Rating: affirmed at '3', removed from RWP
Support Rating Floor: affirmed at 'BB+', removed from RWP

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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, and 'Short-term Ratings Criteria for Corporate Finance', dated 2 November 2010, 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.

For additional credit commentary and analysis on the financial institutions sector, see Fitch's recent Global Financial Institutions Snapshot (available through the link below). The report compiles Fitch's views, analysis and tools for the sector in an easily navigable format.

Applicable Criteria and Related Research:

Global Financial Institutions Snapshot
Global Financial Institutions Rating Criteria
Equity Credit for Hybrids & Other Capital Securities - Amended
Short-Term Ratings Criteria for Corporate Finance

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