

**Hecho Relevante de**                    **MBS BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **MBS BANCAJA 1 FONDO DE TITULIZACIÓN 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 3 de marzo de 2014, comunica que ha confirmado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
  - **Serie A:**    **AA-sf**, perspectiva estable
  - **Serie B:**    **AA-sf**, perspectiva estable
  - **Serie C:**    **AA-sf**, perspectiva estable
  - **Serie D:**    **A-sf**, perspectiva estable      (anterior **A-sf**, perspectiva negativa)

Se adjunta la comunicación emitida por Fitch.

Madrid, 4 de marzo de 2014.

Mario Masiá Vicente  
Director General

## **CORRECTION: FITCH TAKES RATING ACTIONS ON MBS BANCAJA SERIES**

Fitch Ratings-London-03 March 2014: This announcement corrects the version published on 28 February which incorrectly stated the rating actions taken on the class C and D notes in MBS Bancaja 1.

Fitch Ratings has affirmed 17 and upgraded two tranches of six MBS Bancaja, FTA transactions, a series of Spanish prime RMBS comprising loans originated and serviced by Bankia, S.A. (BBB-/Negative/F3). Four tranches have been placed on Rating Watch Negative (RWN), and the Outlooks on seven tranches have been revised to Stable from Negative.

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

### **KEY RATING DRIVERS**

#### **Improved Asset Performance**

A combination of sufficient credit enhancement levels and improving asset performance has contributed to the upgrades of the class C and D notes in MBS Bancaja 2, the revision of the Outlooks on seven tranches to Stable from Negative, and improved Recovery Estimates for the uncollateralized notes in MBS Bancaja 2, 3 and 4. The improved asset performance is reflected in the reduced pace of new arrears. Fitch estimates that on average the one-month plus arrears decreased by over two percentage points over the past 12 months due to a more stable macroeconomic environment in Spain.

#### **Provisioning Mechanism Continues to Provide Protection**

While the annualized constant default rate has increased by two percentage points, on average across all transactions, the transactions' structures allow for the full provisioning of defaulted loans for loans in arrears, which are defined as loans in arrears by more than 18 months. At present, gross excess spread, averaging 1.2% per annum of the respective outstanding portfolios, remains adequate to fully provision for defaulted loans and ensure that the reserve funds remain fully funded in MBS Bancaja 7 and 8. Meanwhile, gross excess spread (0.46%) and recoveries on defaulted loans in the more seasoned transactions (MBS Bancaja 1, 2, 3 and 4) have been insufficient to fully cover period defaults and consequently there have been reserve fund draws. The reserve funds levels were 93%, 89%, 84% and 41% in MBS Bancaja 1, 2, 3 and 4 respectively. Fitch expects further draws on the reserve funds due to a combination of the migration of the late stage arrears into the defaults and low recoveries caused by the overhang in the Spanish residential property market.

#### **Payment Interruption Risk**

The classes A2 and B notes in MBS Bancaja 3 and A2 and A3 notes in MBS Bancaja 4 have been placed on RWN due to exposure to payment interruption, which would arise upon the default of the servicer. In its analysis, the agency assessed the liquidity available in the transactions to fully cover senior fees, net swap payments and note interest in case the servicer were to default. As the transactions are presently drawing on their reserves and are expected to continue doing so, the cash reserves cannot be relied upon to meet these liquidity needs. Therefore, Fitch believes that the transactions are not adequately equipped to mitigate a disruption to collections. The swap payments by the issuer to the swap counterparty could be deferred for one interest payment date in both transactions. For this reason, if the payment interruption risk is not properly mitigated, we will apply a rating cap of 'Asf'. Fitch expects to resolve the RWN in the next six months.

Account Bank Exposure in MBS Bancaja 7 and 8

In accordance with Fitch's counterparty criteria, the ratings of both MBS Bancaja 7 and 8 are capped at 'A+sf', as the account banks in the two transactions are provided by Banco Santander, S.A. ('BBB+/'Stable/'F2'). The criteria specify that direct support counterparties such as account banks with ratings of 'BBB+/'F2' can support note ratings only up to 'A+sf'.

#### RATING SENSITIVITIES

Deterioration in asset performance may result from economic factors, in particular the increasing effects of unemployment. An increase in new defaults and associated pressure on excess spread levels and reserve funds beyond Fitch's expectations could result in negative rating actions.

The rating actions are as follows:

##### MBS Bancaja 1, FTA

Class A (ES0312343017) affirmed at 'AA-sf'; Outlook Stable

Class B (ES0312343025) affirmed at 'AA-sf'; Outlook Stable

Class C (ES0312343033) affirmed to 'AA-sf'; Outlook Stable

Class D (ES0312343033) affirmed to 'A-sf'; Outlook revised to Stable from Negative

##### MBS Bancaja 2, FTA

Class A (ES0312343017) affirmed at 'AA-sf'; Outlook Stable

Class B (ES0312343025) affirmed at 'AA-sf'; Outlook Stable

Class C (ES0312343033) upgraded to 'AA-sf'; Outlook revised to Stable from Negative

Class D (ES0312343033) upgraded to 'A-sf'; Outlook revised to Stable from Negative

Class E (ES0312343033) affirmed at 'BB+sf'; Outlook Negative

Class F (ES0312343033) affirmed at 'CCsf'; Recovery estimate 90%

##### MBS Bancaja 3, FTA

Class A2 (ES0312343025) 'AA-sf'; Placed on RWN

Class B (ES0312343033) 'AA-sf'; Placed on RWN

Class C (ES0312343033) affirmed at 'Asf'; Outlook revised to Stable from Negative

Class D (ES0312343033) affirmed at 'BB+sf'; Outlook Negative

Class E (ES0312343033) affirmed at 'CCsf'; Recovery estimate 85%

##### MBS Bancaja 4, FTA

Class A2 (ES0312343025) 'A+sf'; Placed on RWN

Class A3 (ES0312343033) 'A+sf'; Placed on RWN

Class B (ES0312343033) affirmed at 'BBB+sf'; Outlook revised to Stable from Negative

Class C (ES0312343033) affirmed at 'BBB-sf'; Outlook revised to Stable from Negative

Class D (ES0312343033) affirmed at 'Bsf'; Outlook Negative

Class E (ES0312343033) affirmed at 'CCsf'; Recovery estimate 40%

##### MBS Bancaja 7, FTA

Class A (ES0312344015) affirmed at 'A+sf'; Outlook revised to Stable from Negative

##### MBS Bancaja 8, FTA

Class A (ES0312285002) affirmed at 'A+sf'; Outlook revised to Stable from Negative

Contact:

Lead Surveillance Analyst

Michal Kiska

Analyst

+44 20 3530 1275

Fitch Ratings Limited

30 North Colonnade

London E14 5GN

Committee Chairperson  
Gregg Kohansky  
Managing Director  
+44 20 3530 1376

Media Relations: Athos Larkou, London, Tel: +44 203 530 1549, Email: athos.larkou@fitchratings.com; Sandro Scenga, New York, Tel: +1 212-908-0278, Email: sandro.scenga@fitchratings.com.

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

Sources of information - in addition to those mentioned in the applicable criteria, the sources of information used to assess the ratings were Investor and Servicer reports and loan-by-loan data provided by Europea de Titulizacion SGFT, SA.

Applicable criteria: 'Global Structured Finance Rating Criteria' dated 24 May 2013, 'Counterparty Criteria for Structured Finance and Covered Bonds' and 'Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum' dated 13 May 2013, 'EMEA Criteria Addendum- Spain- Amended' dated 12 March 2013, 'EMEA Residential Mortgage Loss Criteria' dated 6 June 2013, 'EMEA RMBS Cash Flow Analysis Criteria' dated 6 June 2013, 'EMEA RMBS Master Rating Criteria' dated 6 June 2013; are available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable Criteria and Related Research:

Global Structured Finance Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=708661](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661)

Counterparty Criteria for Structured Finance and Covered Bonds

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=707155](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=707155)

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=707156](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=707156)

EMEA Criteria Addendum - Spain - Amended

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=701809](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=701809)

EMEA Residential Mortgage Loss Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=709915](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709915)

EMEA RMBS Cash Flow Analysis Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=709916](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709916)

EMEA RMBS Master Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=709893](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709893)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.