

Material Event
concerning

VAL BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **VAL BANCAJA 1 FONDO DE TITULIZACIÓN DE ACTIVOS** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- The Rating Agency **Fitch Ratings (“Fitch”)** advised on May 26, 2011 that it has affirmed the ratings assigned to the Bond Series issued by the fund:
 - **Series A1: AAAsf**, outlook stable
 - **Series A2: AAAsf**, outlook stable
 - **Series B: Asf**, outlook stable
 - **Series C: BBBsf**, outlook stable

Enclosed herewith is the communication issued by Fitch.

Madrid, May 26, 2011.

Mario Masiá Vicente
General Manager

FITCH AFFIRMS VAL BANCAJA 1 FT.A'S SPANISH RMBS; OUTLOOK STABLE

Fitch Ratings-London/Madrid-26 May 2011: Fitch Ratings has affirmed four tranches of VAL Bancaja 1 FTA, a Spanish RMBS transaction which includes loans originated by Bancaja ('A-/Stable/'F2'), as follows:

Class A1 (ISIN ES0339721005): affirmed at 'AAAsf'; Outlook Stable; Loss Severity rating of 'LS-1'

Class A2 (ISIN ES0339721013): affirmed at 'AAAsf'; Outlook Stable; 'LS-1'

Class B (ISIN ES0339721021): affirmed at 'Asf'; Outlook Stable; 'LS-3'

Class C (ISIN ES0339721039): affirmed at 'BBBsf'; Outlook Stable; 'LS-3'

The transaction's performance has remained in line with Fitch's initial expectations. As of April 2011, loans in arrears by more than three months reached 1.38% of the current pool and cumulative gross defaults, defined as loans in arrears by more than eighteen months, stood at 0.12% of the initial collateral balance. Recoveries have started to flow through in Q111 and, as a result, net cumulative defaults stand at 0.06% of the original pool. In more recent months, the issuer has reported an upward trend in arrears. However, given the current volume of loans in the delinquency pipeline Fitch expects the transaction to generate sufficient revenue necessary for the provisioning of upcoming defaults. For this reason Fitch was able to affirm the notes' existing ratings.

As of April 2011, the credit enhancement (CE) of the Class A1 notes stood at to 25.59%, and is provided by the subordination of the class B (9.65%) and C notes (5.42%), plus the reserve fund of 10.52%. The increase in CE levels since close is driven by the sequential repayment of the notes. In Fitch's view the credit support available to the rated notes remains likely to withstand the respective rating stresses.

The transaction is not hedged against the mismatch arising from the interest paid on the notes and that paid by the underlying borrowers, leaving the fund exposed to future movements in the respective basis rates. While the notes are linked to three-month Euribor and reset quarterly, the collateral is indexed to floating interest rates (98.4% of the pool pays 12-month Euribor and 1.6% pays 3month Euribor) that mainly reset annually, with portions resetting semi-annually and quarterly. The unhedged nature is presently providing benefit to the transaction. With a weighted average interest rate (WAIR) of the notes at 1.44% and the WAIR of the collateral at 2.18%, the transaction continues to generate sufficient levels of excess spread. Fitch believes that the transaction is susceptible to interest rate movements, but the agency believes this will remain manageable.

The transaction is a cash flow securitisation of first-ranking loans to individuals for the acquisition of first homes mainly originated in 2007 and 2008 (84.6% of the current pool). In line with previous Bancaja transactions, Val Bancaja 1 FTA is highly concentrated in the Valencia region (53.7%). Although the seasoning of the underlying loans in this transaction remains limited (28 months), the current weighted average loan to value (WA CLTV) is at 66.8%, which is comparable to the more recent Bancaja transactions (Bancaja 8 and 9). Similarly, the performance of the underlying assets in this transaction has also been comparable to that of Bancaja 8 and 9.

Fitch has been notified that the account bank in the transaction has been transferred from Caja Madrid to Banco Santander ('AA/Stable/'F1+'). In Fitch's view, this change has no impact on the ratings of the notes.

The originator, Bancaja, has gone through a merger process with other Spanish financial institutions to form Banco Financiero y de Ahorros Group (BFA Group;'A-/Stable/'F2'). Bancaja acts as a

servicer of the pool. Given the frequency of collateral collections transfers from the collection account to the SPV account banks, which is every two business days, Fitch's considers that counterparty risk is well mitigated.

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Additional information is available at www.fitchratings.com.

Sources of information: in addition to those mentioned in the applicable criteria, the sources of information used to assess these ratings were Investor Reports.

Applicable criteria, 'EMEA Residential Mortgage Loss Criteria', and 'EMEA Residential Mortgage Loss Criteria Addendum - Spain', both dated 23 February 2010 and available at www.fitchratings.com.

Applicable Criteria and Related Research:

EMEA Residential Mortgage Loss Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=500786

EMEA Residential Mortgage Loss Criteria Addendum - Spain

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=500764

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