

**Material Event**  
**concerning**

**BANCAJA 3 FONDO DE TITULIZACIÓN DE ACTIVOS**

Pursuant to the Prospectus for **BANCAJA 3 FONDO DE TITULIZACION 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 October 5, 2012 that it has affirmed the rating assigned to the Bond Series issued by the Fund:
  - **Series A:** **AA-sf**, outlook negative (previously **AA-sf**, watch negative)
  - **Series B:** **AA-sf**, outlook negative (previously **AA-sf**, watch negative)
  - **Series C:** **BBBsf**, outlook stable

Enclosed herewith is the communication issued by Fitch Ratings.

Madrid, October 5, 2012.

Mario Masiá Vicente  
General Manager

## FITCH AFFIRMS 23 TRANCHES OF BANCAJA SERIES; DOWNGRADES 2

Fitch Ratings-London/Madrid-05 October 2012: Fitch Ratings has affirmed 23 and downgraded two tranches of Bancaja 3-9, a series of Spanish RMBS. The agency has also removed 19 tranches from Rating Watch Negative (RWN). A full list of rating actions is at the end of this commentary.

The downgrades of the junior notes in Bancaja 4 and 7 are mainly due to the weaker performance of the assets in the past 12 months and the insufficient levels of credit support available. The removal of the RWN on notes rated above 'BBBsf' follows the implementation of remedial actions on ineligible counterparties. The role of account bank and paying agent has been transferred to Barclays Bank Plc ('A'/Stable/'F1') from Banco Santander ('BBB+'/'Negative/'F2') in all deals, in line with the transaction documentation. In Fitch's view, Barclays Bank Plc is deemed an eligible counterparty to support ratings of structured finance transactions of 'AA-sf'.

The Bancaja series features residential mortgage loans originated and serviced by Caja de Ahorros de Valencia, Castellon, y Alicante now integrated within Bankia ('BBB'/'Negative/'F2') with a very strong regional concentration in the Valencia region.

In Fitch's view, the worsening macroeconomic environment is having an impact on borrower affordability across the transactions. As of August 2012, the portion of loans in arrears by more than three months (3M+ arrears) rose to between 3.8% and 1.2% relative to the current portfolio balances compared with 2.6% and 0.6% 12 months ago. The Negative Outlooks on the majority of the junior and mezzanine notes reflects Fitch's concern about the arrears trend and the general outlook for the Spanish mortgage market.

Bancaja 4 experienced one of the steepest rises in arrear levels, with the 3M+ ratio as of August 2012 rising to 1.5% compared to 0.6% 12 months ago. As a result, the pro rata amortisation triggers (set at 2% of all loans arrears by more than three months including defaults of the current portfolio), have now been breached and the notes are paying down sequentially. The downgrade of the Class C notes is a direct reflection of the weaker asset performance.

The Bancaja 7 transaction also experienced a rise in arrears, albeit not as great as that observed in Bancaja 4, with the 3M+ arrears rising to 1.7% compared to 0.9% 12 months ago. The levels of credit enhancement available to the Class D notes was deemed insufficient to withstand e 'BBBsf' stresses following Fitch's updated assumptions captured in the latest Spanish RMBS criteria (see 'EMEA Residential Mortgage Loss Criteria Addendum - Spain' dated 24 July 2012). As a result, the class D note has been downgraded to 'BBsf'.

The rating actions are as follows:

Bancaja 3, Fondo de Titulizacion de Activos:

Class A (ISIN ES0312882006): affirmed at 'AA-sf'; Outlook Negative; off RWN

Class B (ISIN ES0312882014): affirmed at 'AA-sf'; Outlook Negative; off RWN

Class C (ISIN ES0312882022): affirmed at 'BBBsf'; Outlook Stable

Bancaja 4, Fondo de Titulizacion Hipotecaria:

Class A (ISIN ES0312883004): affirmed at 'AA-sf'; Outlook Negative

Class B (ISIN ES0312883012): affirmed at 'AA-sf'; Outlook Negative

Class C (ISIN ES0312883020): downgraded to 'BBB+sf' from 'A+sf'; Outlook Negative

Bancaja 5, Fondo de Titulizacion de Activos:

Class A (ISIN ES0312884002): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class B (ISIN ES0312884010): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class C (ISIN ES0312884028): affirmed at 'A-sf'; Outlook revised to Negative from Stable

Bancaja 6, Fondo de Titulizacion de Activos:

Class A2 (ISIN ESO312885017): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class B (ISIN ESO312885025): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class C (ISIN ESO312885033): affirmed at 'A-sf'; Outlook revised to Negative from Stable

Bancaja 7, Fondo de Titulizacion de Activos:

Class A2 (ISINES0312886015): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class B (ISIN ES0312886023): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class C (ISINES0312886031): affirmed at 'A-sf'; Outlook Negative; Off RWN

Class D (ISINES0312886049): downgraded to 'BBsf' from 'BBB-sf'; Outlook Negative

Bancaja 8, Fondo de Titulizacion de Activos:

Class A (ISIN ES0312887005): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class B (ISIN ES0312887013): affirmed at 'A+sf'; Outlook Negative; Off RWN

Class C (ISIN ES0312887021): affirmed at 'BBB+sf'; Outlook Negative

Class D (ISIN ES0312887039): affirmed at 'BB+sf'; Outlook Negative

Bancaja 9, Fondo de Titulizacion de Activos:

Class A2 (ISIN ES0312888011): affirmed at 'AA-sf'; Outlook Negative; Off RWN

Class B (ISIN ES0312888029): affirmed at 'Asf'; Outlook Negative; Off RWN

Class C (ISIN ES0312888037): affirmed at 'BBsf'; Outlook Negative

Class D (ISIN ES0312888045): affirmed at 'Bsf'; Outlook Negative

Class E (ISIN ES0312888052): affirmed at 'CCsf'; Recovery Estimate of 0%

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com). The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

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, 'Global Structured Finance Rating Criteria' dated 6 June 2012' EMEA Residential Mortgage Loss Criteria' dated 7 June 2012, 'EMEA Residential Mortgage Loss Criteria Addendum - Spain' dated 24 July 2012 'Counterparty Criteria for Structured Finance Transactions' and 'Counterparty Criteria for Structured Finance Transactions: Derivative Addendum', dated 30

May 2012 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=679923](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=679923)

EMEA Residential Mortgage Loss Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=681096](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=681096)

EMEA Criteria Addendum - Spain - Mortgage and Cashflow Assumptions

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=682959](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=682959)

Counterparty Criteria for Structured Finance Transactions

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=678938](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=678938)

Counterparty Criteria for Structured Finance Transactions: Derivative Addendum

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=678939](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=678939)

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