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**BANCAJA 8, Fondo de Titulización de Activos**

En virtud de lo establecido en el Folleto Informativo de **BANCAJA 8, 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 14 de marzo de 2019, comunica que confirma las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie A: AAAsf**, perspectiva estable
  - **Serie B: AAsf**, perspectiva estable
  - **Serie C: A+sf**, perspectiva estable
  - **Serie D: BBsf**, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 15 de marzo de 2019.



## Fitch Upgrades 4 Tranches of Bancaja RMBS Series

Fitch Ratings-Madrid-14 March 2019: Fitch Ratings has upgraded four tranches and affirmed seven others of three Spanish RMBS transactions of the Bancaja programme. The Outlooks are Stable.

A full list of rating actions is at the end of this rating action commentary. The transactions comprise residential mortgages serviced by Bankia S.A. (BBB/F3/Stable).

### KEY RATING DRIVERS

#### Stable Asset Performance

The transactions continue to show sound asset performance, with three-month plus arrears (excluding defaults) lower than 1% of current pool balances as of the latest reporting dates. We expect performance to remain stable over the short- to medium-term due to the seasoning of the mortgages of around 15 years, the prevailing low interest rate environment and a positive Spanish macroeconomic outlook.

Today's rating actions reflect Fitch's credit analysis of the portfolios, which has been run with a reduced performance adjustment factor floor of 50% and linked to the minimum lifetime loss rate of 5% under a 'AAA' stress scenario in accordance to Fitch's European RMBS Rating Criteria.

#### Stable or Improving Credit Enhancement (CE)

Fitch expects CE for Bancaja 6 to continue increasing due to sequential amortisation, and for Bancaja 7 to remain stable over the short-to medium-term due to amortisation on a pro-rata basis, which will switch to sequential when the outstanding portfolio balance over initial portfolio balance represents less than 10% (currently at 13.9%).

Fitch expects CE for Bancaja 8 senior notes to increase in the short-term due to sequential amortisation. However, CE ratios could then reduce for all tranches if pro-rata amortisation is triggered, driven by a reverse sequential pay mechanism until mezzanine and junior tranches double their initial weighting. For example, class A notes CE of 38.2% as of the last reporting period could fall to around the 16.6% CE floor if amortisation switches to pro-rata. Fitch views these CE trends as sufficient to withstand the rating stresses commensurate with today's rating actions, including the Outlook revision to Stable on the class B notes.

#### Rating Cap Due to Counterparty Risks

Bancaja 6 class C notes' rating is capped at the SPV account bank provider's 'A' Issuer Default Rating (IDR; Citibank Europe Plc) as the transaction cash reserves held at this entity represent a material source of CE for these notes. The rating cap reflects the excessive counterparty dependency on the SPV account bank holding the cash reserves, as the sudden loss of these funds would imply a downgrade of 10 or more notches of the class C notes in accordance with Fitch's Structure Finance and Covered Bonds Counterparty Rating Criteria.

#### Portfolio's Risk Attributes

The securitised portfolios are exposed to geographical concentration in the region of Valencia. In line with Fitch's European RMBS rating criteria, higher rating multiples are applied to the base foreclosure frequency assumption to the portion of the portfolio that exceeds 2.5x the population within this region. Additionally, around 50% of these portfolios is linked to loans originated via brokers, which are higher-risk than branch-originated loans, and are subject to a foreclosure frequency adjustment factor of 150%.

### Payment Interruption Risk Mitigated

The transactions are viewed by Fitch as sufficiently protected against payment interruption risk in the event of servicer disruption, as liquidity sources are sufficient to cover at least three months of senior fees, net swap payments and interest payment obligations on the senior notes, until an alternative servicing arrangement is implemented.

### VARIATION FROM CRITERIA

For Bancaja 6, Fitch has shortened the back-loaded default distribution timing to 177 months from 180 months to align it with the remaining time to maturity of the last maturing loan in the portfolio. The model-implied rating impact of this variation cannot be assessed as cash flows cannot be modelled without this adjustment.

### RATING SENSITIVITIES

A worsening of the Spanish macroeconomic environment, especially employment conditions or an abrupt shift of interest rates could jeopardise the underlying borrowers' affordability. This could have negative rating implications, especially for junior tranches that are less protected by structural CE.

As Bancaja 6 class C notes' rating is capped at the SPV account bank provider's rating, a change to the account bank rating could trigger corresponding changes to these notes' ratings.

### USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing.

The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

### SOURCES OF INFORMATION

The information below was used in the analysis.

Loan-by-loan data sourced from the European Data Warehouse as at:

-November 2018 for Bancaja 6 and Bancaja 7

-January 2019 for Bancaja 8

Issuer and servicer reports provided by Europea de Titulizacion SGFT, S.A. as at:

-November 2018 for Bancaja 6 and Bancaja 7

-January 2019 for Bancaja 8

### MODELS

ResiGlobal.

EMEA Cash Flow Model.

The rating actions are as follows:

Bancaja 6, FTA

Class A2 (ISIN ES0312885017): affirmed at 'AAAsf'; Outlook Stable  
Class B (ISIN ES0312885025): upgraded to 'AAAsf' from 'AA+sf'; Outlook Stable  
Class C (ISIN ES0312885033): affirmed at 'Asf'; Outlook Stable

Bancaja 7, FTA

Class A2 (ISIN ES0312886015): upgraded to 'AAAsf' from 'AAsf'; Outlook Stable  
Class B (ISIN ES0312886023): affirmed at 'A+sf'; Outlook Stable  
Class C (ISIN ES0312886031): upgraded to 'Asf' from 'BBBsf'; Outlook Stable  
Class D (ISIN ES0312886049): upgraded to 'BB+sf' from 'BBsf'; Outlook Stable

Bancaja 8, FTA

Class A (ISIN ES0312887005): affirmed at 'AAAsf'; Outlook Stable  
Class B (ISIN ES0312887013): affirmed at 'AAsf'; Outlook revised to Stable from Positive  
Class C (ISIN ES0312887021): affirmed at 'A+sf'; Outlook Stable  
Class D (ISIN ES0312887039): affirmed at 'BBsf'; Outlook Stable

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Applicable Criteria

European RMBS Rating Criteria (pub. 21 Dec 2018)  
Global Structured Finance Rating Criteria (pub. 15 May 2018)  
Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 01 Aug 2018)  
Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2018)  
Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 23 Oct 2018)  
Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 08 Mar 2019)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form  
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