

**Hecho Relevante de**                      **MBS BANCAJA 2 FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **MBS BANCAJA 2 FONDO DE TITULIZACION 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 2 de febrero de 2017, comunica que ha confirmado las calificaciones asignadas a las siguientes 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 F:**            **CCsf**

Asimismo, Fitch ha elevado las calificaciones asignadas a las restantes Series de Bonos:

- **Serie D:**            **A+sf**, perspectiva estable    (anterior **A-sf**, perspectiva estable)
- **Serie E:**            **BBBsf**, perspectiva estable    (anterior **BB+sf**, perspectiva estable)

Se adjunta la comunicación emitida por Fitch.

Madrid, 2 de febrero de 2017.

José Luis Casillas González  
Apoderado

Paula Torres Esperante  
Apoderada



## Fitch Upgrades MBS Bancaja 2's Class D & E Notes; Affirms MBS Bancaja 7 & 8

Fitch Ratings-London-02 February 2017: Fitch Ratings has upgraded MBS Bancaja 2's class D and E notes and affirmed the remaining notes. Fitch has also affirmed MBS Bancaja 7 and 8, as follows:

### MBS Bancaja 2

Class A (ES0361795000) affirmed at 'AA+sf'; Outlook Stable  
 Class B (ES0361795018) affirmed at 'AA+sf'; Outlook Stable  
 Class C (ES0361795026) affirmed at 'AA-sf'; Outlook Stable  
 Class D (ES0361795034) upgraded to 'A+sf' from 'A-sf'; Outlook Stable  
 Class E (ES0361795042) upgraded to 'BBBsf' from 'BB+sf'; Outlook Stable  
 Class F (ES0361795059) affirmed at 'CCsf'; Recovery Estimate 90%

### MBS Bancaja 7

Class A (ES0361746003) affirmed at 'A+sf'; Outlook Stable

### MBS Bancaja 8

Class A (ES0361747001) affirmed at 'A+sf'; Outlook Stable

The three transactions are part of the MBS Bancaja series, which is a series of Spanish prime MBS comprising loans serviced by Bankia S.A. (BBB-/Stable/F3)

### KEY RATING DRIVERS

#### Stable Credit Enhancement

The upgrade of MBS Bancaja 2's class D and E notes reflects the stable credit enhancement and performance of the underlying portfolio. An upgrade of the class A to C notes is constrained by the Spanish Country Ceiling of 'AA+' and variable credit enhancement due to the pro-rata amortisation feature.

The pro-rata amortisation allows junior and mezzanine notes to amortise prior to senior notes subject to performance triggers related to delinquent levels and fully funded reserve fund. As of the November 2016 payment date, all triggers on MBS Bancaja 2's class A to D notes were met; therefore the principal available funds were entirely applied pro-rata between them. The class E notes did not receive any principal repayment as the trigger with regards to arrears over 90 days has not been met.

MBS Bancaja 7's and MBS Bancaja 8's credit enhancement has improved, but their ratings are capped at 'A+sf' due to the account bank replacement provisions set at 'BBB+/'F'2. The account is currently held at Banco Bilbao Vizcaya Argentaria (BBVA; A-/Stable/F2).

#### Stable Credit Performance

As of October 2016, MBS Bancaja 2's performance had improved compared to previous year, with delinquencies over three months decreasing to 0.84% from 1.57% of the outstanding balance. MBS Bancaja 7's and MBS Bancaja 8's performance has improved significantly with the same arrears measure decreasing to 1.31% from 2.71% and to 1.23% from 2.64%, respectively.

#### Commingling Exposure

Fitch believes MBS Bancaja 2 is exposed to a commingling loss of around 50% of the monthly collections in the event of default of the collection account bank. This is based on information provided by the servicer, which indicates that borrower payments are concentrated on a few particular dates of every month. The agency has captured this additional stress in its analysis. A dynamic commingling reserve of 1.5 times monthly payments is posted in an eligible institution for MBS Bancaja 7 and MBS Bancaja 8, hence the agency did not size for commingling risk.

#### Variation from Criteria

Fitch has reduced the magnitude of the foreclosure frequency adjustment to broker-originated loans and foreign borrowers to 40% and 100%, respectively (from 200% in both cases). Broker-originated loans and loans granted to foreign borrowers are typically exposed to greater performance volatility than traditional loans, but the large seasoning of the loans in scope and their payment history over the past two years suggest some resilience in periods of economic crisis.

Fitch has increased the foreclosure frequency by 150% to loans secured by commercial properties, considering the weaker performance of these assets compared with residential backed mortgages.

In addition, we have increased the foreclosure frequency for loans subject to maturity extensions by 250% as such loans could

signal a weaker borrower profile. The transactions allow for maturity extensions to a maximum of 10% of the initial portfolio balance.

These calibrations are explained by the comparable performance observed on broker-originated loans versus loans originated via traditional channels, foreign borrowers versus Spanish borrowers and residential backed mortgages versus commercial backed mortgages, which has been possible via the loan-by-loan data provided by the European Data Warehouse.

#### Adjustment for Income Data

Fitch has assumed a debt-to-income ratio of class 5 for loans without income information provided. This affected 6.23% (MBS Bancaja 2), 1.5% (MBS Bancaja 7) and 0.84% (MBS Bancaja 2) of the outstanding balance.

#### RATING SENSITIVITIES

Deterioration in asset performance may result from economic factors. A corresponding increase in new defaults and associated pressure on excess spread and reserve funds, beyond Fitch's assumptions, could result in negative rating action. Furthermore, an abrupt shift of the underlying interest rates might jeopardise the underlying loan affordability of the underlying borrowers.

The ratings are sensitive to changes in Spain's Country Ceiling of 'AA+' and consequently changes to the highest achievable 'AA+sf' rating of Spanish structured finance notes.

#### 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. The findings were reflected in this analysis by assuming a DTI of class 5 for those loans without income information provided. 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.

Prior to the transactions closing, Fitch did not review the results of a third party assessment conducted on the asset portfolio information.

#### SOURCES OF INFORMATION

The information below was used in the analysis.

Loan level data dated as listed below was used to run the surveillance model and the relevant data source was Europea de Titulizacion:

30 November 2016 for MBS Bancaja 2, FTA

30 November 2016 for MBS Bancaja 7, FTA

30 December 2016 for MBS Bancaja 8, FTA

Issuer and servicer reports provided by Europea de Titulizacion since close of the deals and until

25 November 2016 for MBS Bancaja 2, FTA

25 November 2016 for MBS Bancaja 7, FTA

25 December 2016 for MBS Bancaja 8, FTA

#### MODELS

ResiEMEA. (<https://www.fitchratings.com/jsp/creditdesk/ToolsAndModels.faces?context=2&detail=135>)

EMEA RMBS Surveillance Model. ([https://www.fitchratings.com/web\\_content/pages/rmbs/emea-rmbs-surveillance-model.htm](https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm))

#### EMEA

Cash Flow Model. ([https://www.fitchratings.com/web\\_content/pages/sf/emea-cash-flow-model.htm](https://www.fitchratings.com/web_content/pages/sf/emea-cash-flow-model.htm))

#### Contacts:

Lead Surveillance Analyst

Laurent Bernhard

Analyst

+44 20 3530 1487

Fitch Ratings Limited

30 North Colonnade

London E14 5GN

Committee Chairperson  
Alessandro Pighi  
Senior Director  
+44 20 3530 1794

Media Relations: Athos Larkou, London, Tel: +44 203 530 1549, Email: athos.larkou@fitchratings.com.

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

#### Applicable Criteria

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 01 Sep 2016)

(<https://www.fitchratings.com/site/re/886006>)

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 18 Jul 2016)

(<https://www.fitchratings.com/site/re/884964>)

Criteria Addendum: Spain Residential Mortgage Assumptions (pub. 02 Dec 2016) (<https://www.fitchratings.com/site/re/891432>)

Criteria for Country Risk in Global Structured Finance and Covered Bonds (pub. 26 Sep 2016)

(<https://www.fitchratings.com/site/re/881269>)

EMEA RMBS Rating Criteria (pub. 29 Nov 2016) (<https://www.fitchratings.com/site/re/891276>)

Global Structured Finance Rating Criteria (pub. 27 Jun 2016) (<https://www.fitchratings.com/site/re/883130>)

#### Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

([https://www.fitchratings.com/creditdesk/press\\_releases/content/ridf\\_frame.cfm?pr\\_id=1018491&cft=0](https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1018491&cft=0))

Solicitation Status ([https://www.fitchratings.com/gws/en/disclosure/solicitation?pr\\_id=1018491](https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1018491))

Endorsement Policy (<https://www.fitchratings.com/regulatory>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings)

(<https://www.fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.FITCHRATINGS.COM](http://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.

Copyright © 2017 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective

work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

#### **Solicitation Status**

Fitch Ratings was paid to determine each credit rating announced in this Rating Action Commentary (RAC) by the obligatory being rated or the issuer, underwriter, depositor, or sponsor of the security or money market instrument being rated, except for the following:

**Endorsement Policy** - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.