MOODY'S
INVESTORS SERVICE

Rating Action: Moody's Investors Service downgrades Spanish RMBS notes issued MBS Bancaja 3 FTA.

Global Credit Research - 15 Jun 2011

Approximately €403 Million of Debt Securities Affected.

Madrid, June 15, 2011 -- Moody's Investors Service announced today that it has downgraded all ratings of all the notes issued by MBS Bancaja 3 FTA. A detailed list of the rating actions is provided at the end of this press release.

The ratings of the notes were placed on review for possible downgrade in February 2011 due to the worse than expected performance of the collateral.

RATINGS RATIONALE

Today's rating action concludes the review and takes into consideration the worse-than-expected performance of the collateral. It also reflects Moody's negative sector outlook for Spanish RMBS and the weakening of the macro-economic environment in Spain, including high unemployment rates.

The ratings of the notes take into account the credit quality of the underlying mortgage loan pools, from which Moody's determined the MILAN Aaa Credit Enhancement (MILAN Aaa CE) and the lifetime losses (expected loss), as well as the transaction structure and any legal considerations as assessed in Moody's cash flow analysis. The expected loss and the Milan Aaa CE are the two key parameters used by Moody's to calibrate its loss distribution curve, used in the cash flow model to rate European RMBS transactions.

Portfolio Expected Loss:

Moody's has reassessed its lifetime loss expectation taking into account the collateral performance to date, as well as the current macroeconomic environment in Spain. In January 2011, cumulative write-offs rose to 1.31% of the original pool balance. The share of 90+ day arrears stood at 1.61% of current pool balance. Moody's expects the portfolio credit performance to be under stress, as Spanish unemployment remains elevated. The rating agency believes that the anticipated tightening of Spanish fiscal policies is likely to weigh on the recovery in the Spanish labour market and constrain future Spanish households finances. Moody's also has concerns over the timing and degree of future recoveries in a weaker Spanish housing market. On the basis of Moody's negative sector outlook for Spanish RMBS, the rating agency has updated the portfolio expected loss assumption to 1.65% of original pool balance up from 0.55%.

MILAN Aaa CE:

Moody's has assessed the loan-by-loan information to determine the MILAN Aaa CE. Moody's has increased its MILAN Aaa CE assumptions for 10.5%, up from 4.36% at closing. The increase in the MILAN Aaa CE reflects the exposure to broker origination (17%), non Spanish nationals (14.19%) and the concentration in coastal areas and second homes. In addition, 7.35% of the portfolio corresponds to commercial properties. Credit enhancement under the Class A (including subordination and reserve fund) is 10.60%.

Operational Risk:

Bankia (NR) is the servicer in this transaction. With effect from 23 May 2011, Bancaja´s (Baa1/P-2 on review for possible downgrade) banking business was transferred to Bankia (NR). As indicated in the special comment "Key Drivers of Moody's Rating Actions on Spanish Banks" published on 24th March 2011, the ratings of the banks currently involved in consolidation projects remain on review until the rating of the new group is concluded. The operational risk is not a driver of the today's rating action on the notes. However, if Moody's concludes on a rating for Bankia in Baa3/Ba range this would likely impact the ratings of the senior notes as described in Rating Implementation Guidance "Moody's Global Structured Finance Operational Risk Guidelines: Moody's Approach to Analyzing Performance Disruption Risk" published on March 2nd and available on www.moody's.com"

The rating addresses the expected loss posed to investors by the legal final maturity of the notes. In Moody's opinion, the structure allows for timely payment of interest and principal with respect of the notes by the legal final maturity. Moody's ratings only address the credit risk associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

TRANSACTION FEATURES

MBS Bancaja 3 closed in June 2006. The transaction is backed by a portfolio of first-ranking mortgage loans originated by Bancaja secured on residential properties located in Spain, for an overall balance at closing of EUR 800 million. The securitized mortgage portfolio benefits from a relatively low weighted average LTV, currently about 53%. The pool is fairly exposed to the Mediterranean coast. 7.35% of the portfolio corresponds to commercial properties.

Reserve fund: The reserve fund is almost at its target level (97%). It represents 2.47% of the current outstanding amount of the A, B, C and D notes.

Commingling: All of the payments under the loans in this pool are collected by the servicer under a direct debit scheme into the collection accounts held at Bankia (NR) and then are transferred to the treasury account held at Banco Santander (Aa2 /P-1) every two days. Then transfer to Banco Cooperativo (A1/P-1) every three months.The commingling risk has been taken into account in the review of the transaction.

Swap: According to the swap agreement entered into between the Fondo and JP Morgan Chase (Aa3 / P-1), on each payment date:

• The swap counterparty will pay the index reference rate of the notes.

• The Fondo will pay a weighted average of the 12-month Euribor over the past months for each of the groups, whereby the weights are fixed for each month on the closing date.

This payment is aimed at replicating the amount of interest corresponding to the index reference rates that the Fondo receives for each of the groups between payment dates. The notional will be the outstanding amount of the loans included in each of the two groups excluding all loans with arrears of more than 18 months.

For details on the deal structure, please refer to the MBS Bancaja 3 FTA, new issue reports. The report is available on www.moodys.com.

RATING METHODOLOGIES

The principal methodology used in this transaction is Moody's Approach to Rating RMBS in Europe, Middle East, and Africa published in October 2009. Other methodologies used in rating this action were Moody's Updated Methodology for Rating Spanish RMBS published in July 2008, Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows) published in January 2006 and Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction published in December 2008.

Moody's also took into account its Rating Implementation Guidance "Global Structured Finance Operational Risk Guidelines: Moody's Approach to Analyzing Performance Disruption Risk" published in April 2011.

Moody's Investors Service did not receive or take into account a third party due diligence report on the underlying assets or financial instruments related to the monitoring of this transaction in the past six months.

LIST OF RATINGS ACTIONS

Issuer: MBS BANCAJA 3 Fondo de Titulización de Activos

....EUR668M A2 Certificate, Downgraded to Aa1 (sf); previously on Feb 8, 2011 Aaa (sf) Placed Under Review for Possible Downgrade

....EUR13.2M B Certificate, Downgraded to A3 (sf); previously on Feb 8, 2011 Aa2 (sf) Placed Under Review for Possible Downgrade

....EUR11.6M C Certificate, Downgraded to Ba1 (sf); previously on Feb 8, 2011 A2 (sf) Placed Under Review for Possible Downgrade

....EUR7.2M D Certificate, Downgraded to B3 (sf); previously on Feb 8, 2011 Baa3 (sf) Placed Under Review for Possible Downgrade

....EUR10M E Certificate, Downgraded to C (sf); previously on Feb 8, 2011 Ca (sf) Placed Under Review for Possible Downgrade

REGULATORY DISCLOSURES

The ratings have been disclosed to the rated entity or its designated agents and issued with no amendment resulting from that disclosure.

Information sources used to prepare the credit ratings are the following: parties involved in the ratings, parties not involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

Moody's Investors Service considers the quality of information available on the issuer or obligation satisfactory for the purposes of maintaining a credit rating.

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Please see ratings tab on the issuer/entity page on Moodys.com for the last rating action and the rating history.

The date on which some Credit Ratings were first released goes back to a time before Moody's Investors Service's Credit Ratings were fully digitized and accurate data may not be available. Consequently, Moody's Investors Service provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see the Credit Policy page on Moodys.com for the methodologies used in determining ratings, further information on the meaning of each rating category and the definition of default and recovery.

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