FITCH AFFIRMS PYME BANCAJA 5

Fitch Ratings-London-29 November 2011: Fitch Ratings has affirmed all three classes of PYMES Bancaja 5 and has assigned Outlooks and recovery estimates (RE) as follows:

EUR66.72m class A3 (ISIN ES0372259020): affirmed at 'AAAsf'; Outlook Stable
EUR62.7m class B (ISIN ES0372259038): affirmed at 'BBBsf'; Outlook Negative
EUR24.1m class C (ISIN ES0372259046): affirmed at 'CCCsf'; assigned RE 50%
EUR28.8m class D (ISIN ES0372259053): affirmed at 'Csf'; assigned RE 10%

The affirmation of PYME Bancaja 5 is supported by a significant increase in credit enhancement (CE) available to the class A3 notes due to structural deleveraging. Loans over 90 days in arrears have increased to 7.8% of the outstanding portfolio balance as of 31 October 2011. However, the CE available to class A3 is higher than the agency's 'AAA' loss expectation.

The Negative Outlook on the Class B notes reflects the sensitivity of this class to the increasing obligor concentration in the portfolio and the exposure to the real estate industry among the top obligors. There are currently 75 obligors, each representing more than 50bp of portfolio volume, constituting 62% of the portfolio. This excessive concentration risk is mitigated to a certain extent by the high security coverage on the portfolio (94%).

The affirmation of the class C notes at 'CCCsf' reflects their vulnerability to the default of larger obligors and their subordinated position in the capital structure.

PYME Bancaja 5 is a cash-flow securitisations of loans granted to Spanish small and medium enterprises (SMEs) by Bankia ('A-'/Stable/'F2').

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Additional information is available on 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: investor reports

Applicable criteria 'Criteria for Rating European Granular Corporate Balance-Sheet Securitisations

(SME CLOs)', dated 6 June 2011; 'Global Rating Criteria for Corporate CDOs', dated 10 August 2011; 'Counterparty Criteria for Structured Finance Transactions', dated 14 March 2011; 'Criteria for Servicing Continuity Risk in Structured Finance' dated 12 August 2011 are available at www.fitchratings.com.

Applicable Criteria and Related Research:
Criteria for Rating European Granular Corporate Balance-Sheet Securitisations (SME CLOs)
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=622549
Global Rating Criteria for Corporate CDOs
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=641789
Counterparty Criteria for Structured Finance Transactions
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=605425
Criteria for Servicing Continuity Risk in Structured Finance
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649174