

RatingsDirect®

Rating Lowered To 'D (sf)' On Spanish RMBS Transaction Bancaja 10's Class D Notes Following Interest Payment Default

Surveillance Credit Analyst:

Rocio Romero, Madrid (34) 91-389-6968; rocio.romero@standardandpoors.com

Secondary Contact:

Ignacio T Estruga, Madrid (34) 91-389-6969; ignacio.estruga@standardandpoors.com

OVERVIEW

- On the Aug. 22, 2013 payment date, Bancaja 10's class D notes defaulted on their interest payment.
- Consequently, we have lowered to 'D (sf)' from 'CCC- (sf)' our rating on the class D notes.
- Bancaja 10 is a 2007-vintage securitization of first-ranking mortgages secured on owner-occupied residential properties in Spain. Bankia originated and services the mortgages.

MADRID (Standard & Poor's) Sept. 9, 2013--Standard & Poor's Ratings Services today lowered to 'D (sf)' from 'CCC- (sf)' its credit rating on Bancaja 10, Fondo de Titulizacion de Activos' class D notes.

Today's downgrade follows the class D notes' interest payment default on the Aug. 22, 2013 interest payment date (IPD).

As we noted in our previous review on July 5, 2013, the class D notes have breached the transaction's interest deferral trigger and have previously drawn on the reserve fund to meet interest payments (see "Various Rating Actions Taken In Spanish RMBS Transactions Bancaja 10 And Bancaja 11 Following Review")

.

The trustee's data for the August 2013 IPD shows that cumulative defaults account for 6.75% of the closing portfolio balance, which is above the 5.70% trigger for the class D notes. The class D notes defaulted on their August 2013 interest payment following the breach of the interest deferral trigger and the reserve fund's depletion. We have therefore lowered to 'D (sf)' from 'CCC- (sf)' our rating on the class D notes.

Bancaja 10 is a 2007-vintage securitization of first-ranking mortgages secured on owner-occupied residential properties in Spain. Bankia S.A. originated and services the mortgages.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 10, 2010

Related Research

- Various Rating Actions Taken In Spanish RMBS Transactions Bancaja 10 And Bancaja 11 Following Review, July 5, 2013
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2013 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

McGRAW-HILL