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COMUNICACIÓN DE HECHO RELEVANTE

SRF 2017-1, FONDO DE TITULIZACIÓN

Actuaciones sobre las calificaciones de los bonos por parte de Fitch Ratings.

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 21 de marzo de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A, afirmado como **AA+ (sf)** con **perspectiva estable** y quitada la **perspectiva de revisión pendiente de evolución**.

En Madrid, a 21 de marzo de 2018

Ramón Pérez Hernández
Consejero Delegado



Fitch Affirms SRF 2017-1 at 'AA+sf'; Outlook Stable

Fitch Ratings-Madrid/London-21 March 2018: Fitch Ratings has affirmed SRF 2017-1 Fondo de Titulizacion's class A (ES0305239008) notes at 'AA+sf' with Stable Outlook and removed them from Rating Watch Evolving (RWE). The rating actions follow the application of the agency's European RMBS Rating Criteria published on 27 October 2017.

This Spanish reperforming RMBS transaction closed in April 2017, and is backed by loans initially originated by Catalunya Banc, an entity that was acquired and fully integrated into Banco Bilbao Vizcaya (BBVA, A-/Stable/F2) in 2016. The loans are serviced by Anticipa Real Estate, S.L.U.

KEY RATING DRIVERS

Stable Credit Performance

Late-stage arrears (defined as loans with more than three monthly payments overdue) were reported at 1.6% of the current portfolio balance in February 2018, and so far there have been no defaults (loans in arrears by more than 12 months). We expect performance to remain stable over the short to medium term due to the seasoning of the mortgages of approximately 10 years, the prevailing low interest rate environment and the macroeconomic recovery in Spain.

Credit Enhancement (CE) Building Up

CE for the class A notes has built up to 42.1% as of January 2018 from 39.6% at closing. CE is expected to continue increasing as the transaction operates a fully sequential amortisation of the notes.

Reperforming Loans

Almost 80% of the portfolio balance is linked to loan restructurings applied by the originator to support borrowers facing financial hardship. In Fitch's analysis, the default rate of each restructured loan is derived from an assessment of the payment track record since the date last in arrears.

Geographic Concentration Risk

The securitised portfolio is exposed to geographical concentration in Catalonia, which accounts for approximately 74% of the collateral balance. As per its criteria, Fitch has applied a higher set of rating multiples to the base foreclosure frequency assumption to the portion of the portfolio that exceeds two and a half times the

population within this region. Fitch's central expectation is that Catalonia remains part of Spain and that political uncertainty does not significantly compromise economic growth prospects.

Account Bank Triggers Cap Ratings

The class A notes' rating is capped at 'AA+sf' under Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria, due to the account bank replacement trigger being set at 'A-' or 'F1', which is insufficient to support 'AAAsf' ratings.

VARIATIONS FROM CRITERIA

Fitch has reduced the recovery time-lag assumption to 54 months for the 'AA' rating category from standard assumption of 60 months in Fitch's European RMBS Criteria. This variation is supported by the proactive servicing strategy of the servicer allowed in the documentation, which points towards the prioritisation of consensual repossessions ahead of a standard judicial process. No model-implied rating impact is linked to this variation.

RATING SENSITIVITIES

All else being equal, the class A notes' rating could be upgraded to 'AAAsf' if the account bank replacement triggers were updated to 'A' or 'F1' in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

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.

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 pool and the transaction. Because loan by loan portfolio data sourced from the European Data Warehouse did not contain information about the date last in arrears for loans that have not entered in arrears since closing, Fitch assumed such date to be the same as the one reported as at the closing date if the field was missing. Fitch's credit analysis assumes loans in arrears by less than 31 days to be mainly associated to technicalities of servicing practices rather than to weak credit performance of the borrowers. Moreover, because loan by loan portfolio data sourced from the European Data Warehouse did not contain information about borrower income and employment status, Fitch assumed all loans to be associated with a class 3 Debt to Income (DTI), and that 80% of the borrowers are full time employees with a fixed contract. These

assumptions are in line with the observed weighted average DTI and employment ratios of the comparable RMBS Hipocat transactions originated by Catalunya Banc in the past. 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 transaction closing, Fitch reviewed the results of a third party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis. Prior to the transaction closing, Fitch conducted a review of a small targeted sample of Catalunya Banc's origination files and found the information contained in the reviewed files to be adequately consistent with the originator's and servicer's policies and practices and the other information provided to the agency about the asset portfolio.

Overall and together with the assumptions referred to above, 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 provided by European Data Warehouse as at 31 December 2017
- Performance data provided by Titulizacion de Activos, SGFT, S.A. (TDA) as at 31 December 2017.
- Issuer and servicer reports provided by TDA dated 28 February 2018.

MODELS

ResiEMEA. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea>)

EMEA Cash Flow Model.

(<https://www.fitchratings.com/site/structuredfinance/emeacfm>)

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Applicable Criteria

European RMBS Rating Criteria (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018676>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018863>)

Global Structured Finance Rating Criteria (pub. 03 May 2017)

(<https://www.fitchratings.com/site/re/897411>)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 23 May 2017) (<https://www.fitchratings.com/site/re/898537>)

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 18 Sep 2017) (<https://www.fitchratings.com/site/re/903496>)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 02 Feb 2018) (<https://www.fitchratings.com/site/re/10018549>)

Additional Disclosures

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(<https://www.fitchratings.com/site/dodd-frank-disclosure/10024443>)

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