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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE HECHO RELEVANTE

SOL-LION, FONDO DE TITULIZACIÓN DE ACTIVOS

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 16 de marzo de 2017, donde se llevan a cabo las siguientes actuaciones:

- Bono A, **afirmado como AA+ (sf); perspectiva estable.**
- Bono B, **subida a AA- (sf) desde A+ (sf); perspectiva estable.**
- Bono C, **subida a BBB+ (sf) desde BBB (sf); perspectiva estable.**

En Madrid, a 16 de marzo de 2017

Ramón Pérez Hernández
Consejero Delegado



Fitch Upgrades Sol-Lion, FTA

Fitch Ratings-London-16 March 2017: Fitch Ratings has upgraded two tranches of Sol-Lion, FTA and affirmed one tranche, as follows:

Class A (ISIN ES0317104000) affirmed at 'AA+sf'; Outlook Stable

Class B (ISIN ES0317104018) upgraded to 'AA-sf' from 'A+sf'; Outlook Stable

Class C (ISIN ES0317104026) upgraded to 'BBB+sf' from 'BBBsf'; Outlook Stable

The securitisation comprises Spanish residential mortgages, originated by ING Direct, which is a 100%-owned subsidiary of ING Bank N.V. (A+/Stable/F1).

KEY RATING DRIVERS

Good Performance

Three-months plus arrears (excluding defaults) are 27bp of the current pool balance. This is down from 37bp at the same point last year and has never been higher than 47bp over the transaction's life. The deal remains well below Fitch's prime index of three-months plus arrears (excluding defaults), which is currently 75bp.

Stabilised Credit Enhancement

The upgrade of the class B and C notes reflects the increased credit enhancement (CE). The upgrades remain limited by the switch of the structure to a pro-rata phase, which implies a decrease in the amount of CE. However, CE should remain at approximately 11.8% for the class A notes, 7.8% for the class B notes and 3.7% for the class C notes during the pro-rata period.

Maturity Extensions

Based on information provided by the servicers we found that some borrowers have been offered maturity extensions to their loans. As this signals a weaker borrower

profile we have increased the foreclosure frequency for these loans by 50% as per the Spanish criteria.

Interest Deferability

The class B and C notes' initial ratings addressed ultimate payment of interest. Fitch anticipates the deferability mechanism will not be triggered as its application is conditioned on a minimum volume of cumulative defaults of 10% and 7.5% for class B and C, respectively. This is highly unlikely given the current low volume of cumulative defaults of 0.6%. This has allowed us to upgrade the class B and C notes.

RATING SENSITIVITIES

CE for the class C notes is provided by a reserve fund and is posted with an eligible account bank. The replacement trigger language of the account bank is in line with our criteria, but a further upgrade of the class C notes could be constrained, among other things, by the rating of the account bank due to excessive counterparty exposure.

Payment interruption risk is currently mitigated by the reserve fund but any depletion of it would increase the potential occurrence of a payment interruption risk, which could result in a downgrade of the notes.

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

Adverse macroeconomic factors may affect asset performance. An increase in defaults and larger losses beyond Fitch's stresses may erode credit enhancement leading to negative rating action.

USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

No third party due diligence was provided or reviewed 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. There were no findings that were material to this analysis. 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.

The majority of the underlying assets have ratings or credit opinions from Fitch and/or other Nationally Recognised Statistical Rating Organisations and/or European Securities and Markets Authority registered ratings agencies. Fitch has relied on the practices of the relevant groups within Fitch and/or other rating agencies to assess the asset portfolio information.

Overall, 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 the European Data Warehouse as at 31 October 2016
- Transaction reporting provided by TDA as at 31 October 2016 and 28 November 2016
- Email updates from the servicer dated 10 February 2017

MODELS

The models below were used in the analysis. Click on the link for a description of the model

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)

EMEA

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

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Additional information is available on 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>)

Criteria for Rating Caps and Limitations in Global Structured Finance Transactions

(pub. 16 Jun 2016) (<https://www.fitchratings.com/site/re/882401>)
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>)
Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 17 Feb 2017) (<https://www.fitchratings.com/site/re/893890>)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form
(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1020656&cft=0)
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