

C. N. M. V.
Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

CAIXA PENEDES 2 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Standard & Poor's.

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 Standard & Poor's, con fecha 26 de abril de 2019, donde se llevan a cabo las siguientes actuaciones:

- Bono A, desde **A- (sf)** a **AA- (sf)**
- Bono B, desde **A- (sf)** a **A+ (sf)**
- Bono C, afirmado como **BBB (sf)**

En Madrid, a 30 de abril de 2019

Ramón Pérez Hernández
Consejero Delegado

Rating Actions Taken On Spanish RMBS Transaction CAIXA PENEDES 2 Following Review

Primary Credit Analyst:

Isabel Plaza, Madrid (34) 91-788-7203; isabel.plaza@spglobal.com

Research Contributor:

Sanjeev Iyer, CRISIL Global Analytical Center, an S&P affiliate, Mumbai

OVERVIEW

- Following the implementation of our revised structured finance sovereign risk criteria and counterparty criteria, we placed our ratings on the class A and B notes from CAIXA PENEDES 2 under criteria observation.
- Following our review of the transaction under our relevant criteria, we have raised our ratings on class A and B and removed them from under criteria observation. At the same time, we affirmed our rating on the class C notes.
- CAIXA PENEDES 2 is a Spanish RMBS transaction, which closed in September 2007 and securitizes first-ranking mortgage loans granted to Spanish residents, mainly located in Catalonia.

MADRID (S&P Global Ratings) April 26, 2019--S&P Global Ratings today raised and removed from under criteria observation its credit ratings on CAIXA PENEDES 2 TDA, Fondo de Titulizacion de Activos' class A and B notes. At the same time, we affirmed our credit rating on the class C notes (see list below).

Today's rating actions follow the implementation of our revised structured finance sovereign risk criteria and counterparty criteria (see "Related Criteria"). They also reflect our full analysis of the most recent transaction information that we have received and the transaction's current structural features.

We have applied our new sovereign risk criteria, which represent our global approach to rating structured finance securities above the foreign currency rating on the sovereign (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published Jan. 30, 2019). The analytical framework consequently assesses the ability of a security to withstand a sovereign default scenario. These criteria classify the sensitivity of this transaction as low. Therefore, the highest rating that we can assign to the tranches in this transaction is six notches above the Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met.

Under our previous criteria, we could rate the senior-most tranche in a transaction up to six notches above the sovereign rating, while we could rate the remaining tranches in a transaction up to four notches above the sovereign. Additionally, under the previous criteria, in order to rate a tranche up to six notches above the sovereign, the tranche would have had to sustain an extreme stress (equivalent to 'AAA' benign stresses). Under the revised criteria, these particular conditions have been replaced with the introduction of the low sensitivity category. In order to rate a structured finance tranche above a sovereign that is rated 'A+' and below, we account for the impact of a sovereign default to determine if under such stress the security continues to meet its obligations. For Spanish transactions, we typically use asset-class specific assumptions from our standard 'A' run to replicate the impact of the sovereign default scenario.

We have also applied our new structured finance counterparty criteria (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019).

Banco de Sabadell S.A. is the servicer of the mortgages in this transaction; our rating on the class C notes is linked to our long-term issuer credit rating (ICR) on the servicer because in our cash flow analysis we are excluding the application of a commingling loss at rating levels at and below the ICR on the servicer.

JPMorgan Chase Bank N.A. provides the interest rate and basis swap contract, which is in line with our previous counterparty criteria. As per our new criteria, our collateral assessment is moderate; therefore the notes are no longer capped at the ICR on the swap provider. When giving credit to the swap contract, the maximum rating achievable is 'AA-' in this transaction. However, the notes can achieve the same ratings when giving no benefit to the swap contract (see "Counterparty Risk Framework: Methodology And Assumptions," published March 8, 2019). As a consequence, we have de-linked class A and B from our long-term ICR and resolution counterparty rating on JPMorgan Chase Bank N.A.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Aug. 4, 2017). Our current

outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign. Therefore, our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level is 0.9%. Our foreclosure frequency assumption is 2.00% for the archetypal pool at the 'B' rating level.

Below are the credit analysis results after applying our European residential loans criteria to this transaction.

Rating level	WAFF (%)	WALS (%)
AAA	13.74	8.08
AA	9.29	5.92
A	6.98	3.24
BBB	5.14	2.23
BB	3.31	2.00
B	1.92	2.00

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

The class A, B, and C notes' credit enhancement based on the performing balances remains stable at 11.7%, 9.5%, and 4.5%, respectively, due to the amortization of the notes, which is pro rata as the reserve fund is at its required level.

Following the application of our revised criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our sovereign risk criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria. As of today our ratings on the notes are no longer capped by the sovereign risk criteria. Our credit and cash flow results indicate that credit enhancement available for classes A and B is commensurate with 'AA-' and 'A+' ratings. We have therefore raised to 'AA- (sf)' and 'A+ (sf)' our ratings on the class A and B notes and removed them from under criteria observation.

Our rating on the class C notes is not capped by our sovereign risk analysis because the application of our European residential loans criteria, reflecting our updated credit figures, determines our rating on the notes at 'BBB (sf)'. We have therefore affirmed our 'BBB (sf)' rating on this class of notes. This rating is still weak-linked to our long-term ICR on Banco Sabadell because in our cash flow analysis we excluded the application of a commingling loss at rating levels at and below the ICR on the servicer.

CAIXA PENEDES 2 is a Spanish residential mortgage-backed securities transaction, which closed in September 2007 and securitizes first-ranking mortgage loans granted to Spanish residents, mainly located in Catalonia.

RELATED CRITERIA

- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria - Structured Finance - General: Global Derivative Agreement Criteria, June 24, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- European Economic Snapshots: Domestic Demand Still A Safety Net, April 12, 2019
- Spain 'A-/A-2' Ratings Affirmed; Outlook Positive, March 22, 2019
- European RMBS Index Report 2018, Feb. 19, 2019
- Spanish RMBS Index Report Q4 2018, Feb. 19, 2019
- Europe's Housing Markets Ease Off The Accelerator, Feb. 19, 2019
- Why 2019 Could Be A Good Year For Spanish RMBS Ratings, Feb. 6, 2019
- European Economic Snapshots For 1Q2019 Published, Dec. 18, 2018
- All Ratings Raised And Removed From CreditWatch Positive In Spanish RMBS Transaction CAIXA PENEDES 2 Following Review, April 30, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- 2017 EMEA ABS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

RATINGS LIST

Rating Actions Taken On Spanish RMBS Transaction CAIXA PENEDES 2 Following Review

Caixa Penedes 2 TDA, Fondo de Titulizacion de Activos
€750 million mortgage-backed floating-rate notes

Ratings Raised And Removed From Under Criteria Observation

Class	Rating	
	To	From
A	AA- (sf)	A- (sf)
B	A+ (sf)	A- (sf)

Rating Affirmed

Class	Rating
C	BBB (sf)

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