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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE HECHO RELEVANTE

TDA PASTOR 1, 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 10 de julio de 2017, donde se llevan a cabo las siguientes actuaciones:

- Bono A2, afirmada como **AA+ (sf); perspectiva estable.**
- Bono B, subida a **AA+ desde A+ (sf); perspectiva estable.**
- Bono C, subida a **A desde BBB+ (sf); perspectiva estable.**

En Madrid, a 10 de julio de 2017

Ramón Pérez Hernández
Consejero Delegado



Fitch Upgrades and Affirms 3 Spanish RMBS

Fitch Ratings-Madrid-10 July 2017: Fitch Ratings has upgraded three tranches of three Spanish RMBS deals and affirmed the rest. A full list of rating actions follows at the end of this rating action commentary.

KEY RATING DRIVERS

Credit Enhancement (CE) to Continue Rising

Current and projected levels of structural CE are sufficient to mitigate the credit and cash flow stresses under the relevant rating scenarios, and consistent with the upgrades and affirmations of the notes. CE ratios are expected to continue increasing over time on the most senior tranches given the fully sequential amortisation mechanism of the rated notes. CE of TDA Pastor 1 has been adjusted downwards by removing the balance of a subordinated loan that is part of the collateral.

Asset Performance within Expectations

Three-month plus arrears (excluding defaults) as a percentage of the current pool balance range between 0.2% for TdA Pastor 1 and 1.2% for AyT Hipotecario Mixto II CH (AyT Mixto CH), broadly in line with Fitch's index of three-months-plus arrears of 0.9%. Gross cumulative defaults relative to the original portfolio balances range between 0.3% and 0.6% for the transactions compared with a sector average of 5.6%. Credit performance is expected to remain stable given the significant seasoning of the mortgage portfolios of approximately 15 years.

Excessive Counterparty Exposure

The rating of the most junior tranche of each transaction is capped at the respective SPV account banks' ratings, as the only source of structural CE for these tranches is the reserve fund, which is kept at the relevant bank account, and the transactions' net excess spreads are insufficient to fully mitigate the hypothetical loss of the reserve

fund. The account bank role is performed by Banco Santander (A-/Stable/F2) in the AyT Mixto transactions and Societe General (A/Stable/F1) in TDA Pastor 1.

High Prepayments

As of end-March 2017, reported prepayments of AyT Mixto CH (11.4%) and PH (8.5%) have stabilised since they peaked in 1Q16 at 24.5% and 19.4% respectively. However, current prepayment levels are still above the average Fitch-rated Spanish RMBS and Fitch believes it could be associated with originators' support in the form of buybacks of securitised loans. Fitch is therefore not giving full credit to past transaction performance and has overridden the performance adjustment factor to 1.0x (from 0.7x) suggested by the EMEA Surveillance Model that is used in the analysis.

Commingling Exposure

Fitch believes the three transactions are exposed to commingling losses in the event of default of the collection account bank, as monthly collections are concentrated on one particular day of every month. The agency has accommodated this additional stress in its analysis and found CE ratios to be sufficient to mitigate this risk.

RATING SENSITIVITIES

The senior notes' ratings are sensitive to changes in Spain's Country Ceiling of 'AA+' and consequently changes to the highest achievable 'AA+sf' rating for Spanish structured finance notes.

The ratings of the most junior tranches (CH2 and PH2 of AyT Mixto and class C of TdA Pastor 1) are sensitive to changes in the respective SPV account banks' ratings, as the cash reserves are kept at these bank accounts representing the only source of CE for these notes.

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, especially for junior tranches that are less protected by structural CE.

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 pools and the transactions. There were no findings that affected the rating 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.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations due to the operating environment and Fitch is therefore satisfied that the asset pool information relied on for its initial rating analysis was adequately reliable.

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 Haya Titulizacion SGFT as at 30 April 2017 for AyT Mixto CH and PH
- Loan-by-loan data provided by Titulizacion de Activos SGFT as at 28 February 2017 for TDA Pastor 1
- Issuer report provided by Haya Titulizacion SGFT for AyT Mixto CH and PH as at 21 March 2017
- Issuer report provided by Titulizacion de Activos SGFT for TDA Pastor as at 30 April 2017

MODELS

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

The rating actions are as follows:

AyT Hipotecario Mixto II - Series CH

Class CH1 (ES0370151021): affirmed at 'AA+sf'; Outlook Stable

Class CH2 (ES0370151039): affirmed at 'A-sf'; Outlook Stable

AyT Hipotecario Mixto II - Series PH

Class PH1 (ES0370151005): affirmed at 'AA+sf'; Outlook Stable

Class PH2 (ES0370151013): upgraded to 'BBB+sf' from 'BBBsf'; Outlook Stable

TDA Pastor 1, FTA

Class A2 (ES0377980018): affirmed at 'AA+sf'; Outlook Stable

Class B (ES0377980026): upgraded to 'AA+sf' from 'A+sf'; Outlook Stable

Class C (ES0377980034): upgraded to 'Asf' from 'BBB+sf'; Outlook Stable

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Applicable Criteria

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

EMEA RMBS Rating Criteria (pub. 29 Nov 2016)

(<https://www.fitchratings.com/site/re/891276>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 17 Feb 2017) (<https://www.fitchratings.com/site/re/894478>)

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 Counterparty Rating Criteria: Derivative Addendum (pub. 23 May 2017) (<https://www.fitchratings.com/site/re/898538>)

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/site/dodd-frank-disclosure/1026270>)

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