

C. N. M. V.
Dirección General de Mercados e Inversores
C/ Edison 4
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 19 de agosto de 2014, donde se llevan a cabo las siguientes actuaciones:

- Bono A1, **ascendida a AA+(sf) desde AA-(sf); perspectiva estable.**
- Bono A2, **ascendida a AA+(sf) desde AA-(sf); perspectiva estable.**
- Bono B, **afirmado como A(sf); perspectiva revisada a estable desde negativa.**
- Bono C, **afirmado como BBB(sf) ; perspectiva revisada a estable desde negativa.**

En Madrid, a 20 de agosto de 2014

Ramón Pérez Hernández
Director General



Fitch Upgrades 2 Tranches of TDA Pastor 1 FTA; Affirms 2; Outlook Revised to Stable Ratings Endorsement Policy

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Fitch Ratings-London-19 August 2014: Fitch Ratings has upgraded two and affirmed two tranches of the TDA Pastor 1 FTA, a Spanish RMBS. The Outlooks were revised to Stable on two tranches as follow:

Class A1 (ES0377980000): upgraded to 'AA+sf' from 'AA-sf'; Outlook Stable;
Class A2 (ES0377980018): upgraded to 'AA+sf' from 'AA-sf'; Outlook Stable;
Class B (ES0377980026): affirmed at 'Asf'; Outlook revised to Stable from Negative;
Class C (ES0377980034): affirmed at 'BBBsf'; Outlook revised to Stable from Negative.

The transaction comprises mortgages originated and serviced by Banco Pastor (NR), which was purchased by Banco Popular Espanol ('BB+/B') in 2012.

KEY RATING DRIVERS

Solid Asset Performance and High Seasoning

Given the good asset characteristics including a low weighted average original loan-to-value ratio (OLTV) (66.9%), the absence of adverse borrowers in the pool, and a 22.9 month seasoning at close, the portfolio has always performed well. The proportion of loans in arrears by more than three months has never gone beyond 0.45% (maximum reached in April 2013) and is currently at 0.1% of the outstanding collateral balance.

As of June 2014, only two loans in the portfolio were in arrears by more than three months. Therefore, cumulative gross defaults (defined as loans in arrears by more than 12 months), currently at 0.24% of the initial collateral balance, are expected to remain low in the near future. Moreover, since transaction close in 2003, the loans have accumulated more than 13 years of seasoning, which should also prevent the performance from deteriorating as the current loan-to-value (CLTV) has now decreased to 32.6% and borrowers are then less likely to default.

Improved Economic Environment

Through 2012, various actions driven by uncertain macroeconomic conditions in Spain at that time, led to the revision of Outlook to Negative from Stable on these notes. Since then, the Spanish economic environment has improved, as reflected in the Outlook revision to Stable on the sovereign in November 2013 and subsequent Issuer Default Rating (IDR) upgrade to 'BBB+' from 'BBB' in April 2014. In line with these changes, the cap for Spanish structured finance ratings was revised to 'AA+sf' on 15 April 2014, resulting in the senior notes for the TDA Pastor 1 FTA being placed on Rating Watch Positive (RWP).

With the publication of its updated criteria assumptions for Spanish RMBS on 5 June 2014, Fitch set its assumptions for 'AA+sf' rating stresses used to analyse the ability of some senior tranches to withstand higher rating stresses. The analysis showed that the credit enhancement (CE) available to the class A notes of TDA Pastor 1, FTA is sufficient to warrant a two-notch upgrade.

Commingling Risk Mitigated by the Fully Funded Reserve Fund

The transaction is exposed to commingling risk as the transfer of the funds from the collection account held at Banco Popular Espanol ('BB+/F2') to the issuer account at Barclays ('A/F1') only takes place once a month. However, due to a fully funded and no-longer-amortising reserve fund, presently at 3.3% of the current note balance, liquidity within the structure is deemed sufficient to mitigate this risk. Additionally, Fitch has tested the scenario in which funds would actually be commingled following the default of the collection account bank. The analysis showed that the transaction would manage to maintain timely payment and sufficient credit enhancement to warrant current ratings.

Exposure to the TDA 13 Transaction

At close, the pool included two unsecured loans originated by Banco Pastor to TDA 10 and TDA 13 RMBS transactions, which were used to fund their reserve funds. TDA 10 paid in full in March 2010 but the TDA 13 unsecured loan (EUR1.5m) still remains in the pool. TDA 13 is currently performing well as reflected in the low level of arrears and no reserve fund draws. In its analysis, Fitch considered the case in which this loan would default, and determined that this event would not have a negative effect on the ratings.

RATING SENSITIVITIES

Economic Recovery in Spain

Spanish structured finance ratings remain dependent on the country's economic situation. If the Spanish economic recovery goes on and leads to an improvement of the labour market and fiscal dynamics, supported by the implementation of growth-enhancing reforms, and if further progress in deficit reduction and an improvement of the external balance sheet are achieved, the country's rating evolution could lead to further positive rating actions on the sovereign IDR, and thus a potential upward revision in the structured finance cap. On the other hand, erosion in public debt dynamics, reversal of Spain's economic and fiscal policy stance and current account returning to a large deficit could still jeopardize the recovery and constrain ratings, thus putting pressure on structured finance ratings.

Contacts:

Primary Analyst
Francesco Lanni
Analyst
+44 20 3530 1685
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Committee Chairperson
Sanja Paic
Senior Director
+44 20 3530 1282

Media Relations: Sandro Scenga, New York, Tel: +1 212-908-0278, Email: sandro.scenga@fitchratings.com.

Additional information is available at www.fitchratings.com.

Sources of information - investor and servicer reports, as well as loan-by-loan level data.

Applicable Criteria 'Global Structured Finance Rating Criteria' dated 4 August 2014, 'Counterparty Criteria for Structured Finance and Covered Bonds' dated 14 May 2014, 'Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum' dated 14 May 2014, 'Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds' dated 11 April 2014, 'Criteria Addendum: Spain - Residential Mortgage Loss and Cash Flow Assumptions' dated 5 June 2014, 'EMEA Residential Mortgage Loss Criteria' dated 28 May 2014, 'EMEA RMBS Cash Flow Analysis Criteria' dated 28 May 2014, 'EMEA RMBS Master Rating Criteria' dated 28 May 2014 and 'Global Criteria for Lenders' Mortgage Insurance in RMBS' dated 23 June 2014, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Structured Finance Rating Criteria
Counterparty Criteria for Structured Finance and Covered Bonds
Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum
Criteria for Sovereign Risk in Developed Markets for Structured Finance and Covered Bonds
Criteria Addendum: Spain - Residential Mortgage Loss and Cash Flow Assumptions
EMEA Residential Mortgage Loss Criteria
EMEA RMBS Cash Flow Analysis Criteria
EMEA RMBS Master Rating Criteria
Global Criteria for Lenders' Mortgage Insurance in RMBS

Additional Disclosure

Solicitation Status

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