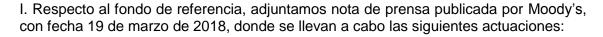
C. N. M. V. Dirección General de Mercados e Inversores C/ Edison 4 Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

CAIXA PENEDES PYMES 1 TDA, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Moody's.

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



- Bono B, afirmado como Aa2 (sf).
- Bono C, subida a B1 (sf) desde B2 (sf).

En Madrid, a 21 de marzo de 2018

Ramón Pérez Hernández Consejero Delegado



# Rating Action: Moody's upgrades one tranche and affirms one tranche in CAIXA PENEDES PYMES 1 TDA FONDO DE TITULIZACION DE ACTIVOS

Global Credit Research - 19 Mar 2018

London, 19 March 2018 -- Moody's Investors Service ("Moody's") has today upgraded the rating of Class C notes and affirmed the rating of Class B notes in a Spanish ABS SME transaction, CAIXA PENEDES PYMES 1 TDA FONDO DE TITULIZACION DE ACTIVOS (FTA). The rating action reflects the increased level of credit enhancement for the affected notes.

....EUR44.6M (Current outstanding amount EUR42.8M) Class B Notes, Affirmed Aa2 (sf); previously on Mar 10, 2017 Upgraded to Aa2 (sf)

....EUR19.4M Class C Notes, Upgraded to B1 (sf); previously on Mar 10, 2017 Upgraded to B2 (sf)

CAIXA PENEDES PYMES 1 TDA, FTA is a securitisation fund which purchased a pool of loans granted by Caixa d'Estalvis del Penedes to small and medium-sized enterprises (SME) domiciled in Spain.

#### **RATINGS RATIONALE**

The rating action is prompted by deal deleveraging, resulting in an increase in credit enhancement for the affected tranches.

The credit enhancement of the class B notes has increased to 50.30% from 38.25% in March 2017, and the credit enhancement of the class C notes increased to 19.11% from 13.35% in March 2017.

Revision of Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its default probability and recovery rate assumptions for the portfolio reflecting the collateral performance to date.

The performance of the transaction has continued to be stable over the past year. 90+ delinquencies decreased to 0.96% from 1.22% of current pool balance. Cumulative defaults currently stand at 6.68% of original pool balance, slightly up from 6.64% in March 2017.

Moody's maintained its default probability assumption at 20% and the fixed recovery rate assumption at 52.5%. These assumptions, together with portfolio credit enhancement (PCE) of 27% result in coefficient of variation of 52.37%.

#### Counterparty Exposure:

Today's rating action took into consideration the notes' exposure to relevant counterparties, such as servicer, account banks or swap providers.

Moody's considered how the liquidity available in the transactions and other mitigants support continuity of notes payments, in case of servicer default, using the CR Assessment as a reference point for servicers. Moody's also assessed the default probability of the account bank providers by referencing the bank's deposit rating.

### Principal Methodology:

The principal methodology used in these ratings was "Moody's Global Approach to Rating SME Balance Sheet Securitizations" published in August 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include: (1) performance of the underlying collateral that is better than Moody's expected, (2) deleveraging of the capital structure, (3)

improvements in the credit quality of the transaction counterparties, and (4) reduction in sovereign risk.

Factors or circumstances that could lead to a downgrade of the ratings include: (1) performance of the underlying collateral that is worse than Moody's expected, (2) deterioration in the notes' available credit enhancement, (3) deterioration in the credit quality of the transaction counterparties, and (4) an increase in sovereign risk.

#### REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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