

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

COMUNICACIÓN DE HECHO RELEVANTE

CAIXA PENEDES 1 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 28 de abril de 2016, donde se llevan a cabo las siguientes actuaciones:

- Bono A, de **AA (sf)** / en revisión para posible bajada a **BBB+ (sf)**.
- Bono B, de **BBB+ (sf)** / en revisión para posible bajada a **B+ (sf)**.
- Bono C, de **B (sf)** / en revisión para posible bajada a **B- (sf)**.

En Madrid, a 28 de abril de 2016

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RatingsDirect®

Various Ratings Actions Taken In Spanish RMBS Transactions CAIXA PENEDES 1 And 2

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OVERVIEW

- Titulización de Activos S.G.F.T., the trustee for CAIXA PENEDES 1 and CAIXA PENEDES 2, informed us that the transaction reports have incorrectly recorded the type of interest on a significant portion of the mortgages in both transactions' pools since 2013.
- Consequently, we expected a negative effect on our ratings in these transactions when performing full analyses and therefore placed our ratings in these transaction on CreditWatch negative on Jan. 28, 2016.
- We have now completed our review and have taken various ratings actions in both transactions.
- CAIXA PENEDES 1 and CAIXA PENEDES 2 are Spanish RMBS transactions, which closed in October 2006 and September 2007, respectively.

MADRID (Standard & Poor's) April 28, 2016--Standard & Poor's Ratings Services today took various credit rating actions on all classes of notes in CAIXA PENEDES 1 TDA Fondo de Titulizacion de Activos and CAIXA PENEDES 2 TDA, Fondo de Titulizacion de Activos.

Specifically, we have:

- Lowered and removed from CreditWatch negative our ratings on CAIXA PENEDES 1's class A, B, and C notes, and CAIXA PENEDES 2's class A and B notes; and
- Affirmed and removed from CreditWatch negative our rating on CAIXA PENEDES 2's class C notes (see list below).

On Jan. 28, 2016, we placed on CreditWatch negative our ratings on all classes of notes in CAIXA PENEDES 1 and CAIXA PENEDES 2 following information that we received from Titulización de Activos S.G.F.T., the trustee for both transactions, regarding incorrect reporting in the transaction reports since 2013 (see "Ratings In Spanish RMBS Transactions CAIXA PENEDES 1 And 2 Placed On CreditWatch Negative"). When the Índice de Referencia de Préstamos Hipotecarios de Cajas de Ahorro (IRPH Cajas) was withdrawn in 2013, loans could switch to either a fixed rate of interest, Euro Interbank Offered Rate (EURIBOR), or Índice de Referencia de Préstamos Hipotecarios del Conjunto de Entidades (IRPH entidades).

In the case of CAIXA PENEDES 1 and CAIXA PENEDES 2's pools, most of the loans linked to the IRPH Cajas switched to paying a fixed rate of interest. However, for both transactions, the trustee reported that these loans were still paying a floating rate of interest. In CAIXA PENEDES 1, 40% of the total pool and in CAIXA PENEDES 2, 34% of the total pool is affected by this misstatement of interest type.

The trustee has provided further feedback on this information and corrected the previous information. With this corrected information, we have reviewed the transactions and resolved the CreditWatch placements. Today's rating actions follow our credit and cash flow analysis of the most recent transaction information that we have received as of January 2016. Our analysis reflects the application of our criteria for rating Spanish residential mortgage-backed securities (RMBS criteria) and our criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria) (see "Italy And Spain RMBS Methodology And Assumptions," published on Sept. 18, 2014, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on May 29, 2015).

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as moderate. Under our RAS criteria, these transactions' notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a severe stress. However, as all six of the conditions in paragraph 44 of the RAS criteria are met, we can assign ratings in these transactions up to a maximum of six notches (two additional notches of uplift) above the sovereign rating, subject to credit enhancement being sufficient to pass an extreme stress (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009).

As our foreign currency long-term sovereign rating on the Kingdom of Spain is 'BBB+', our RAS criteria cap at 'AA+ (sf)' the maximum potential rating in these transactions for the class A notes. The maximum potential rating for all

other classes of notes in both transactions is 'AA- (sf)'.

Both transactions benefit from swaps that were introduced into the structure to hedge the original basis risk. With significant portions of the portfolios now paying fixed interest rates and not floating rates anymore, the mismatch between the assets and liabilities is now higher than what we previously assumed. As we expected in our Jan. 18, 2016 review, the basis swaps in both transactions cannot mitigate the interest risk that the transactions are currently exposed to in our high interest rate scenarios. Consequently, when performing our updated analyses for these transactions, we have seen a negative effect on the ratings, especially in interest rate up scenarios.

The interest rate and basis swaps for both transactions do not satisfy our current counterparty criteria, so we gave no benefit to the swaps in our analysis at rating levels above our long-term issuer credit rating on JPMorgan Chase Bank N.A., as the swap counterparty, plus one notch (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). We have therefore performed our credit and cash flow analysis without giving benefit to the swap provider at rating levels above 'AA-', to determine if the notes could achieve a higher rating when giving no benefit to the swap provider.

The available credit enhancement for CAIXA PENEDES 1 and CAIXA PENEDES 2 has remained stable since our Jan. 21, 2015 review (see "Various Rating Actions Taken In Spanish RMBS Transactions CAIXA PENEDES 1 And CAIXA PENEDES 2 Following Criteria Updates").

Both transactions feature amortizing reserve funds, which currently represent 2.0% and 4.4% of CAIXA PENEDES 1's and CAIXA PENEDES 2's outstanding balance of the notes, respectively. The cash reserves are at their target amounts for both transactions and started to amortize three years after closing.

Both transactions have a combined interest and principal priority of payments with deferral triggers based on cumulative gross defaults. If the transactions breach their triggers (4.90% and 5.00% for the class C notes in CAIXA PENEDES 1 and CAIXA PENEDES 2, respectively), they will divert interest on the subordinated notes to amortize the senior notes' principal. In our view, both transactions are unlikely to breach their triggers in the near future.

Severe delinquencies of more than 90 days at 0.46% and 0.40% for CAIXA PENEDES 1 and CAIXA PENEDES 2, respectively, are on average lower for this transaction than our Spanish RMBS index (see "RMBS Index Report Says Spanish Q3 And Q4 2015 Delinquencies Lowest Since Q1 2013," published on April 5, 2016).

Defaults are defined as mortgage loans in arrears for more than 12 months in these transactions. Cumulative defaults for CAIXA PENEDES 1 and CAIXA PENEDES 2 have increased in one year to 3.10% from 2.65% and to 2.10% from 1.88%, respectively, and are lower than in other Spanish RMBS transactions that we rate. We expect cumulative defaults to continue to increase, as long-term delinquencies roll into defaults. Prepayment levels remain low and the

transaction is unlikely to pay down significantly in the near term, in our opinion.

Following the application of our RAS criteria and our RMBS criteria, we have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria and (ii) the rating that the class of notes can attain under our RMBS criteria. In both transactions, the ratings on the class A notes are constrained by the rating on the sovereign.

The class A notes in both transactions do not meet all of the conditions under our RAS criteria to permit a six-notch uplift from our long-term sovereign rating on Spain. Although our credit and cash flow results indicate that the available credit enhancement for CAIXA PENEDES 1's and CAIXA PENEDES 2's class A notes is commensurate with a higher rating, the tranches do not pass our cash flow stresses under our RAS criteria. Our RAS criteria therefore constrain our ratings on the class A notes at the level of the foreign currency long-term sovereign rating on Spain, which is 'BBB+'. We have therefore lowered to 'BBB+ (sf)' from 'AA (sf)' and removed from CreditWatch negative our ratings on the class A notes in both transactions.

In both transactions, the pro rata conditions are currently met and the notes are therefore repaying pro rata. We have therefore also tested the cash flow outcomes under these conditions by applying delayed recession timing and commingling loss. Our cash flow analysis results indicate that these delayed assumptions are less beneficial for all classes of notes, as the notes would only withstand these stresses at lower rating levels.

Following the application of our RMBS criteria, and after we applied our delayed recession timing and commingling loss, CAIXA PENEDES 1's class B' cash flow results indicate that they can only withstand our stresses at a 'B+' rating level. Consequently, we have lowered to 'B+ (sf)' from 'BBB+ (sf)' and removed from CreditWatch negative our rating on CAIXA PENEDES 1's class B notes.

Taking into account the results of our credit and cash flow analysis, we do not consider the available credit enhancement for CAIXA PENEDES 1's class C notes to be commensurate with our currently assigned rating. We have therefore lowered to 'B- (sf)' from 'B (sf)' and removed from CreditWatch negative our rating on CAIXA PENEDES 1's class C notes. Although we consider these notes to be vulnerable to ultimate principal nonpayments (at legal maturity), we do not expect this to happen in the short term.

CAIXA PENEDES 2's class B notes' cash flow results indicate that they can only withstand our stresses at a 'BBB+' rating level. Consequently, we have lowered 'BBB+ (sf)' from 'A+ (sf)' and removed from CreditWatch negative our ratings on CAIXA PENEDES 2's class B notes.

CAIXA PENEDES 2's class C notes' cash flow results indicate that they can only withstand our stresses at a 'BB-' rating level. Consequently, we have affirmed

and removed from CreditWatch negative our 'BB- (sf)' rating on CAIXA PENEDES 2's class C notes.

We also consider credit stability in our analysis (see "Methodology: Credit Stability Criteria," published on May 3, 2010). To reflect moderate stress conditions, we adjusted our weighted-average foreclosure frequency (WAFF) assumptions by assuming additional arrears of 8% for one- and three-year horizons. This did not result in our rating deteriorating below the maximum projected deterioration that we would associate with each relevant rating level, as outlined in our credit stability criteria.

CAIXA PENEDES 1 and CAIXA PENEDES 2 are Spanish RMBS transactions, which closed in October 2006 and September 2007, respectively, and securitize first-ranking mortgage loans. Caixa d'Estalvis del Penedès, now merged with Banco de Sabadell S.A., originated the pools, which comprise loans granted to Spanish residents, mainly located in Catalonia.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?, March 23, 2015
- Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings, Oct. 24, 2013
- Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Global Derivative Agreement Criteria, June 24, 2013
- Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- Methodology: Credit Stability Criteria, May 3, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- RMBS Index Report Says Spanish Q3 And Q4 2015 Delinquencies Lowest Since

Various Ratings Actions Taken In Spanish RMBS Transactions CAIXA PENEDES 1 And 2

Q1 2013, April 5, 2016

- Ratings In Spanish RMBS Transactions CAIXA PENEDES 1 And 2 Placed On CreditWatch Negative, Jan. 28. 2016
- Ratings Affirmed In Spanish RMBS Transaction CAIXA PENEDES 1 Following Sovereign Upgrade, Dec. 16, 2015
- Ratings On 88 Spanish RMBS And ABS Tranches Placed On CreditWatch Positive Following Sovereign And Bank Rating Actions, Oct. 30, 2015
- 2015 EMEA RMBS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Various Rating Actions Taken In Spanish RMBS Transactions CAIXA PENEDES 1 And CAIXA PENEDES 2 Following Criteria Updates, Jan. 21. 2015
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

RATINGS LIST

Class	Rating
To	From

CAIXA PENEDES 1 TDA Fondo de Titulizacion de Activos
€1 Billion Mortgage-Backed Floating-Rate Notes

Ratings Lowered And Removed From CreditWatch Negative

A	BBB+ (sf)	AA (sf)/Watch Neg
B	B+ (sf)	BBB+ (sf)/Watch Neg
C	B- (sf)	B (sf)/Watch Neg

CAIXA PENEDES 2 TDA, Fondo de Titulizacion de Activos
€750 Million Mortgage-Backed Floating-Rate Notes

Ratings Lowered And Removed From CreditWatch Negative

A	BBB+ (sf)	AA (sf)/Watch Neg
B	BBB+ (sf)	A+ (sf)/Watch Neg

Rating Affirmed And Removed From CreditWatch Negative

C	BB- (sf)	BB- (sf)/Watch Neg
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