

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

COMUNICACIÓN DE HECHO RELEVANTE

PROGRAMA CÉDULAS 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 23 de mayo de 2017, donde se llevan a cabo las siguientes actuaciones:

- Bonos ISIN: ES0371622038, confirmado en **BBB+ (sf)**.
- Bonos ISIN: ES0371622012, confirmado en **BBB+ (sf)**.
- Bonos ISIN: ES0371622046, confirmado en **BBB+ (sf)**.
- Bonos ISIN: ES0371622020, confirmado en **BBB+ (sf)**.

En Madrid a 24 de mayo de 2017

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Consejero Delegado

Ratings Affirmed In 23 Spanish Multicedulas Covered Bond Transactions Following Review

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OVERVIEW

- As part of our ongoing surveillance, we have reviewed our ratings in 23 Spanish multicedulas covered bond transactions.
- The available credit enhancement exceeds the target credit enhancement for all of the transactions for which we apply our delinked ratings approach.
- Following our review, we have affirmed our 'BBB+ (sf)' ratings in all 23 transactions.

MADRID (S&P Global Ratings) May 23, 2017--S&P Global Ratings today affirmed its credit ratings in 23 Spanish multicedulas covered bond transactions (see list below).

As part of our review of these transactions, we have applied our Spanish multicedulas criteria (see "Methodology And Assumptions For Rating Spanish Multicedulas," published on March 31, 2015).

Under these criteria, we organize the rating process into two key stages:

- Assessing the creditworthiness of the individual mortgage covered bonds (Cedulas Hipotecarias; CHs) comprising the multicedulas portfolio.
- Determining the multicedulas' maximum achievable rating by applying a

"weak-link" approach.

In order to assess the creditworthiness of the CHs, we use S&P Global Ratings' credit ratings when available. When we do not rate the CHs but do rate the issuing bank, the criteria assess the CHs' creditworthiness according to our "Covered Bonds Criteria," published on Dec. 9, 2014.

Out of the 18 Spanish financial institutions participating in the multicedulas transactions that we rate, there are six issuers for which we rate the CHs: Bankia S.A., CaixaBank S.A., Ibercaja Banco S.A., Kutxabank S.A., Banco Bilbao Vizcaya Argentaria S.A., and Abanca Corporación Bancaria, S.A.

There are four issuers for which we have applied our covered bonds criteria, as we rate the issuers (Banco Santander S.A., Santander Consumer Finance S.A., Banco de Sabadell S.A., and Caja Laboral Popular Cooperativa de Crédito).

When we do not rate the CHs or the issuing bank, our multicedulas criteria delink the assessment of the CHs' creditworthiness from the credit quality of the issuer. Therefore, we base our analysis on the CHs' collateral. This has been the case for the remaining eight originators.

The mortgage books of the banks that we do not rate comprise residential and non-residential (commercial) mortgage loans originated by them. We have conducted a credit and cash flow analysis based on our criteria for rating European residential loans, our criteria for analyzing European commercial real estate collateral in covered bonds, and our covered bonds criteria (see "Related Criteria").

We have analyzed aggregate data from the issuers and applied stresses that are commensurate with a 'AAA' rating scenario to estimate the level of defaults, the weighted-average foreclosure frequency (WAFF), and our loss estimate measure, the weighted-average loss severity (WALS).

As part of the credit analysis of the collateral under our Spanish multicedulas criteria, we apply an originator adjustment of at least 1.1x when the quality of data we base our analysis on is not comparable to what we typically receive when analyzing CHs. This adjustment applies to both residential mortgage loans and to other collateral types. We have increased this adjustment to 1.2x in one instance where the quality of the information provided was lower than the average received from the other entities participating in the multicedulas.

In addition, we used conservative assumptions where there is missing information on certain pool characteristics. We would typically analyze the data available from other originators, including the average values and the dispersion around this average, and make an assumption for the missing data.

Our analysis of the covered bonds' payment structure looks at cash flows from the cover pool assets and if they would be sufficient to cover credit risk at

Ratings Affirmed In 23 Spanish Multicedulas Covered Bond Transactions Following Review

a 'AAA' level and refinancing costs, assuming target asset spreads, to make payments of interest and principal to the covered bond holders in a timely manner. This results in the target credit enhancement (TCE).

We then compare the CHs' available credit enhancement (ACE) after our adjustments with the TCE. When the ACE equals or exceeds the TCE, we consider that CHs in multicedulas can sustain a 'BBB+' equivalent stress scenario. The 'BBB+' rating level also reflects the availability, at the multicedula level, of a liquidity facility covering possible interest shortfalls, as well as multicedula bond maturity extension features.

If the ACE is below the TCE, we interpolate linearly the credit enhancement that is commensurate with each rating level, starting from 'B', which is the minimum rating under our multicedulas criteria.

Our criteria incorporate the concept of "weak-linking" the rating on a multicedula to the creditworthiness of the underlying CHs of the banks participating in that multicedula. This means that the underlying CHs with the weakest credit quality will constrain the rating on that multicedula, irrespective of the relative size of the various CHs comprising the multicedula portfolio.

Because we set a 'BBB+' rating cap for our assessment of CHs issued from banks that we do not rate, and given that all of the 23 multicedulas transactions include at least one issuing bank that we do not rate, our ratings on these 23 multicedulas are capped at 'BBB+'.

Since our previous analysis, CHs have redeemed in the issuers' covered bond programs and there have been no further CHs issuances. This, together with better credit results, has resulted in the ACE still exceeding the TCE. Following the abovementioned weak-link approach, today's affirmations reflect that the lowest assessment or rating on the CHs backing the multicedulas portfolio equals the current ratings on the multicedulas, and our assessment of the CHs is therefore commensurate with a 'BBB+' rating in all cases. Credit numbers have improved, resulting from better quality data provided and improved collateral performance.

Lastly, the ratings in these multicedulas transactions are not constrained by legal, operational, counterparty risk, or country risk.

RELATED CRITERIA

- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Dec. 23, 2016
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016

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- Criteria - Structured Finance - Covered Bonds: Counterparty Risk Analysis In Covered Bonds, Dec. 21, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bond Ratings Framework: Methodology And Assumptions, June 30, 2015
- Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions For Rating Spanish Multicedulas, March 31, 2015
- Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds, March 31, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bonds Criteria, Dec. 9, 2014
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010

RELATED RESEARCH

- Global Covered Bond Characteristics And Rating Summary Q1 2017, April 20, 2017
- Spanish RMBS Index Report Q4 2016, April 4, 2017
- Kingdom of Spain Outlook Revised To Positive On Strong And Balanced Economic Performance; 'BBB+/A-2' Ratings Affirmed, March 31, 2017
- Europe's Recovery Is On Track, But Not Without Risks Of Derailment Or Disruption, March 31, 2017
- European Economic Outlook: As Good As It Gets, March 30, 2017
- Europe's Housing Markets Continue To Recover Amid Extended QE, Feb. 15, 2017
- Mostly Positive Rating Actions On Spanish Banks On Largely Completed Provisioning Of Legacy Problem Assets, Feb. 9, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Assessments For Target Asset Spreads According To Our Covered Bonds Criteria, Aug. 15, 2016
- Assessments For Jurisdictional Support According To Our Covered Bonds Criteria, July 20, 2016
- Outlook Assumptions For The Spanish Residential Mortgage Market, June 24, 2016

Ratings List

Issuer	Issue description	Series	Class	Rating to	Rating from	ISIN
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1.4 bil fixed-rate notes series III	III		BBB+ (sf)	BBB+ (sf)	ES0312298021
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1.20 bil floating-rate notes series IV (including a tap issuance of EUR145 million floating-rate notes)	IV		BBB+ (sf)	BBB+ (sf)	ES0312298039
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1.5 bil fixed-rate notes series VI	VI		BBB+ (sf)	BBB+ (sf)	ES0312298054

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Ratings List (cont.)

Issuer	Issue description	Series	Class	Rating to	Rating from	ISIN
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1 bil floating-rate notes series VII	VII		BBB+ (sf)	BBB+ (sf)	ES0312298062
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR2.23 bil fixed-rate notes series VIII	VIII		BBB+ (sf)	BBB+ (sf)	ES0312298070
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1.6 bil fixed-rate notes series X	X		BBB+ (sf)	BBB+ (sf)	ES0312298096
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR1.55 bil fixed-rate notes series XIII	XIII		BBB+ (sf)	BBB+ (sf)	ES0312298120
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR425 mil floating-rate notes series XIV	XIV		BBB+ (sf)	BBB+ (sf)	ES0312298138
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR2.81 bil floating-rate notes series XVI (including a further tap issuance EUR540 mil)	XVI		BBB+ (sf)	BBB+ (sf)	ES0312298153
AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR500 mil fixed-rate notes series XXV	XXV		BBB+ (sf)	BBB+ (sf)	ES0312298245
AyT Cédulas Cajas IX, Fondo de Titulización de Activos	EUR5 bil fixed-rate notes		B	BBB+ (sf)	BBB+ (sf)	ES0312358015
AyT Cédulas Cajas V, Fondo de Titulización de Activos	EUR3.1 bil fixed-rate notes		B	BBB+ (sf)	BBB+ (sf)	ES0370148019
AyT Cédulas Cajas VIII, Fondo de Titulización de Activos	EUR4.1 bil fixed-rate notes		B	BBB+ (sf)	BBB+ (sf)	ES0312362017
AyT Cédulas Cajas X, Fondo de Titulización de Activos	EUR3.9 bil floating- and fixed-rate notes		B	BBB+ (sf)	BBB+ (sf)	ES0312342019
Cédulas TDA 5, Fondo de Titulización de Activos	EUR1.5 bil fixed-rate notes		A	BBB+ (sf)	BBB+ (sf)	ES0317045005
Cédulas TDA 6, Fondo de Titulización de Activos	EUR3 bil fixed-rate notes (including EUR1.5 billion fixed-rate notes 2nd issuance)		A	BBB+ (sf)	BBB+ (sf)	ES0317046003
Cédulas TDA 7, Fondo de Titulización de Activos	EUR2 bil fixed-rate notes		A	BBB+ (sf)	BBB+ (sf)	ES0317047001
Fondo de Titulización de Activos, Programa Independiente de Titulización de Cédulas Hipotecarias	EUR1.2 bil covered bond programme series 1	1		BBB+ (sf)	BBB+ (sf)	ES0334699008
IM Cédulas 5, Fondo de Titulización de Activos	EUR1.25 bil fixed-rate notes		A	BBB+ (sf)	BBB+ (sf)	ES0347849004
Programa Cédulas TDA, Fondo de Titulización de Activos	EUR2.31 bil fixed-rate notes (including a further tap issuance EUR60 million) series A4	A4		BBB+ (sf)	BBB+ (sf)	ES0371622012
Programa Cédulas TDA, Fondo de Titulización de Activos	EUR3.805 bil fixed-rate notes (including a further issuance EUR180 million) series A6	A6		BBB+ (sf)	BBB+ (sf)	ES0371622020
Programa Cédulas TDA, Fondo de Titulización de Activos	EUR1.15 bil fixed-rate notes series A3	A3		BBB+ (sf)	BBB+ (sf)	ES0371622038
Programa Cédulas TDA, Fondo de Titulización de Activos	EUR1.31 bil fixed-rate notes (including a further tap issuance f EUR110 million) series A5	A5		BBB+ (sf)	BBB+ (sf)	ES0371622046

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