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Madrid

COMUNICACIÓN DE HECHO RELEVANTE

TDA 26-MIXTO, 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 arriba mencionado adjuntamos nota de prensa publicada por Fitch Ratings el día 13 de febrero de 2018, donde se llevan a cabo las siguientes actuaciones:
 - Bono 1-A2, afirmado como **A+ (sf)**; **perspectiva estable**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 1-B, subida a **A+** desde **BBB+** (sf); **perspectiva estable**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 1-C, subida a **BBB +** desde **BB+** (sf); **perspectiva estable**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 1-D, afirmado como **CCC (sf)**; **recuperación estimada elevada al 90%** desde el **85%**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 2-A, afirmado como **A+ (sf)**; **perspectiva estable**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 2-B, subida a **BBB +** desde **BB (sf)**; **perspectiva estable**; **eliminada la perspectiva de revisión pendiente de evolución.**
 - Bono 2-C, afirmado como **CCC (sf)**; **recuperación estimada elevada al 90%** desde el **50%**; **eliminada la perspectiva de revisión pendiente de evolución.**

En Madrid a 14 de febrero de 2018

Ramón Pérez Hernández
Consejero Delegado



Fitch Upgrades TDA 26 Mixto Series 1 and 2, FTA

Fitch Ratings-Madrid-09 February 2018: Fitch Ratings has upgraded three tranches and affirmed four tranches of TDA 26 Mixto Series 1 and Series 2, two Spanish RMBS transactions that comprise residential mortgages serviced by Banco Sabadell and Banca March. All ratings have been removed from Rating Watch Evolving (RWE), where they were placed on 5 October 2017. A full list of rating actions follows at the end of this rating action commentary.

KEY RATING DRIVERS

Stable Credit Enhancement (CE)

Structural CE ratios of the securitisation notes have remained stable, which is expected to continue, as the transactions are paying pro-rata. We believe existing and projected CE ratios are sufficient to withstand higher stresses, as reflected in the upgrades of mezzanine notes in both series.

High Prepayments and Asset Performance

Fitch is not giving full credit to past performance trends of TdA 26 Mixto Series 1 and has overridden the performance adjustment factor to 1.0x in accordance with the agency's criteria, in light of the loan buy backs that have been conducted by the originators during the past few months as evidenced by the substantial prepayment rate volatility.

TDA 26 Mixto Series 2 continues to show sound asset performance. Two months plus arrears (excluding defaults) as a percentage of the current pool balance are standing at 0.2%, and cumulative defaults, defined as mortgages in arrears by more than 12 months, at 1.4% of the initial portfolio balance. Fitch expects performance to remain stable especially given the significant seasoning of the securitised portfolio of approximately 13 years.

Payment Interruption Risk Caps Ratings

Both transactions are exposed to payment interruption risk in the event of a servicer disruption as the available structural mitigants (ie. cash reserve funds) remain insufficient to fully cover stressed senior fees, net swap payments and stressed senior note interests. As a result, Fitch has capped the rating on the notes at 'A+sf' unless payment interruption risk is sufficiently mitigated. Moreover, the transactions are exposed to a commingling loss due to the concentration of cash collections from the borrowers in one day of every month. Fitch has captured this

additional stress in its analysis.

VARIATIONS FROM CRITERIA

Rating Cap Due to Payment Interruption Risk

According to Fitch's Structure Finance and Covered Bonds Counterparty Rating Criteria, the maximum achievable rating for transactions exposed to payment interruption risk is five notches above the rating of the collection account bank, so long as the bank is a regulated institution in a developed market. Even though the collection account banks in both transactions are not rated by Fitch, the maximum achievable rating for these transactions of 'A+sf' is substantiated by the established retail franchise of Banco Sabadell and Banca March, the public credit ratings of both entities from recognised international rating agencies, and the robust banking sector supervision in Spain.

RATING SENSITIVITIES

Senior securitisation notes on both transactions could be upgraded to the 'AAAsf' category if the transactions' liquidity protection against a servicer disruption event strengthens, all else being equal. Fitch will continue to assess the reserve fund balance relative to the securitisation notes, and its ability to mitigate credit and liquidity stresses.

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 the 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 given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon 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 sourced from the European Data Warehouse, dated as of September 2017 for TdA Mixto Series 1 and 2.

-Transaction reporting provided by Titulizacion de Activos as at November 2017 for TdA Mixto Series 1 and 2.

MODELS

ResiEMEA. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea>)
EMEA Cash Flow Model.
(<https://www.fitchratings.com/site/structuredfinance/emeacfm>)

The rating actions are as follows:

TDA 26 Mixto Series 1:

Class A2 (ISIN ES0377953015) affirmed at 'A+sf'; removed from RWE; Outlook Stable

Class B (ISIN ES0377953023) upgraded to 'A+sf' from 'BBB+sf'; removed from RWE; Outlook Stable

Class C (ISIN ES0377953031) upgraded to 'BBB+sf' from 'BB+sf'; removed from RWE; Outlook Stable

Class D (ISIN ES0377953049) affirmed at 'CCCsf'; removed from RWE; Recovery Estimate (RE) revised to 90% from 85%

TDA 26 Mixto Series 2:

Class A (ISIN ES0377953056) affirmed at 'A+sf'; removed from RWE; Outlook Stable

Class B (ISIN ES0377953064) upgraded to 'BBB+sf' from 'BBsf'; removed from RWE; Outlook Stable

Class C (ISIN ES0377953072) affirmed at 'CCCsf'; RE revised to 90% from 50%

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Additional information is available on www.fitchratings.com

Applicable Criteria

European RMBS Rating Criteria (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018676>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018863>)

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 Country Risk Rating Criteria (pub. 18 Sep 2017) (<https://www.fitchratings.com/site/re/903496>)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 02 Feb 2018) (<https://www.fitchratings.com/site/re/10018549>)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

(<https://www.fitchratings.com/site/dodd-frank-disclosure/10020014>)

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