

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA CAM 11, 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 4 de agosto de 2016, donde se llevan a cabo las siguientes actuaciones:

- Serie A2, subida a **A+ (sf)** desde **A (sf)** / perspectiva estable.
- Serie A3, subida a **A+ (sf)** desde **A (sf)** / perspectiva estable.
- Serie A4, subida a **A+ (sf)** desde **A (sf)** / perspectiva estable.
- Serie B, subida a **A (sf)** desde **BBB+ (sf)** / perspectiva estable.
- Serie C, afirmado a **B (sf)** / perspectiva estable.

En Madrid a 5 de agosto de 2016

Ramón Pérez Hernández  
Consejero Delegado

## Fitch Takes Rating Action on 11 TDA CAM RMBS Deals

Fitch Ratings-London-04 August 2016: Fitch Ratings has affirmed 23 tranches, upgraded 12 tranches, and revised the Outlooks on five tranches of 11 TDA CAM transactions. The series of Spanish RMBS transactions comprise loans originated by Banco CAM (now a subsidiary of Banco de Sabadell). A full list of rating actions is available at the end of this commentary.

### KEY RATING DRIVERS

#### Declining Arrears

All deals have reported marginal increases in defaults and declining arrears over the last 12 months. The decline in arrears in TDA CAM 5-9 is mainly caused by late-stage arrears rolling through to default, and not being replaced by new arrears cases. This is evidenced by the gross cumulative defaults, which as of end-May 2016 had increased to between 7% and 15.4% from between 6.8% and 15% at end-May 2015 (TDA CAM 5 and 9, respectively). In contrast, the more seasoned transactions (TDA CAM 1-4) have reported smaller increases in defaults, on average 5bp, and currently stand below the Fitch Spanish RMBS average of 5.5%.

The improved macroeconomic environment in Spain has meant that fewer borrowers are falling into early-stage arrears. With late stage arrears rolling through to default, the transactions continue to report a decline in three months plus arrears. As of end-May 2016, three months plus arrears remained below the Spanish average of 0.84% across all TDA CAM transactions.

Due to fewer expected defaults in the upcoming periods, Fitch expects TDA CAM 4-9 to be better able to meet provisioning requirements with excess spread. This should result in further reductions of the principal deficiency ledgers (PDL) in TDA CAM 6, 8 and 9 and further replenishment of the reserve funds in TDA CAM 4, 5 and 7. The expectation of fewer defaults, stable arrears, decreasing PDLs and improved reserve fund levels are the primary drivers of the upgrades of some notes in these transactions the revisions of Outlooks to Stable and Positive as well as increases in the Recovery Estimates (RE).

TDA CAM 1-3, 11 and 12 have fully funded reserve funds. In line with the reduction in arrears and the low level of defaults, this led to the upgrade of the B notes of TDA CAM 2 and 3 and A and B notes of TDA CAM 11 and 12.

#### Payment Interruption

Given the fully drawn reserve funds in TDA CAM 6, 8 and 9, and the reserve fund in TDA CAM 7 below target and resulting absence of liquidity, these transactions are exposed to payment interruption. As a result Fitch is unlikely to upgrade the senior notes in these transactions until the reserve funds have been sufficiently replenished to meet two periods of interest payments under Fitch's stressed assumptions.

The collection account bank Banco de Sabadell is a major Spanish financial regulated institution that performs daily sweeps of collections to the transactions account bank (Societe Generale, A/Stable/F1) and there are no significant concentrations in the collections. Banco de Sabadell is not rated by Fitch and therefore the difference between the senior ratings of these notes and the collection account bank is more than five notches. This constitutes a variation to Fitch's Counterparty Criteria for Structured Finance and Covered Bonds.

#### Lack of Clarity over Recoveries

Fitch previously stated that it believed that the recoveries in these transactions have been a result of the originator purchasing defaulted assets at prices that are preferential to the issuers, thereby boosting recoveries. This view was based on the absence of properties in possession at the SPV level and the stronger-than-average recovery rates. As of the latest payment dates, nine of the 11 deals have reported properties in possession at the SPV level. However, given the lack of clarity on recoveries, Fitch conducted a sensitivity analysis on the recovery rates needed to maintain the ratings. Fitch found that the recovery levels needed to maintain the notes' ratings can sustain significant stress levels, which is reflected in today's rating actions.

### RATING SENSITIVITIES

A worsening of the Spanish macroeconomic environment, especially employment conditions, or an abrupt shift in interest rates could jeopardise the ability of the underlying borrowers to meet their payment obligations. Fitch may also take negative rating action if draws on the reserve fund occur on the next

payment dates and are in excess of our assumptions, as this may compromise credit protection for the junior classes.

#### 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 were material to this 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

Investor and servicer reports provided by Titulizacion de Activos S.G.F.T, S.A. since close and until:

- June 2016 for TDA CAM 1, TDA CAM 4, TDA CAM 11 and TDA CAM 12
- April 2016 for TDA CAM 2, TDA CAM 3, TDA CAM 5, TDA CAM 6 and TDA CAM 9
- May 2016 for TDA CAM 7 and TDA CAM 8.

Loan-by-loan data provided by Titulizacion de Activos S.G.F.T, S.A. and sourced from the European Data Warehouse with the following cut-off dates:

- February 2016 for TDA CAM 1, TDA CAM 4 and TDA CAM 11
- March 2016 for TDA CAM 2, TDA CAM 3, TDA CAM 5, TDA CAM 6 and TDA CAM 9
- April 2016 for TDA CAM 7 and TDA CAM 8
- May 2016 for TDA CAM 12

The models below were used in the analysis. Click on the link for a description of the model:

ResiEMEA. (<https://www.fitchratings.com/jsp/creditdesk/ToolsAndModels.faces?context=2&detail=135>)

EMEA RMBS Surveillance Model. ([https://www.fitchratings.com/web\\_content/pages/rmbs/emea-rmbs-surveillance-model.htm](https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm))

EMEA

Cash Flow Model. ([https://www.fitchratings.com/web\\_content/pages/sf/emea-cash-flow-model.htm](https://www.fitchratings.com/web_content/pages/sf/emea-cash-flow-model.htm))

The rating actions are as follows:

#### TDA CAM 1

Class A (ES0338448006) affirmed at 'AA+sf', Outlook Stable

Class B (ES0338448014) affirmed at 'Asf', Outlook Stable

#### TDA CAM 2

Class A (ES0338449004) affirmed at 'AA+sf', Outlook Stable

Class B (ES0338449012) upgraded to 'Asf' from 'BBBsf', Outlook Stable

#### TDA CAM 3

Class A (ES0377990009) affirmed at 'AA+sf', Outlook Stable

Class B (ES0377990017) upgraded to 'Asf' from 'BBB-sf', Outlook Stable

#### TDA CAM 4

Class A (ES0377991007) affirmed at 'AA-sf', Outlook Stable

Class B (ES0377991015) upgraded to 'BBB-sf' from 'BBsf', Outlook Stable

## TDA CAM 5

Class A (ES0377992005) affirmed at 'BBBsf', Outlook revised to Positive from Stable  
Class B (ES0377992013) upgraded to 'Bsf' from 'CCCs', Outlook Stable

## TDA CAM 6

Class A3 (ES0377993029) affirmed at 'BBsf', Outlook revised to Stable from Negative  
Class B (ES0377993037) affirmed at 'CCCs', Recovery Estimate revised to 60% from 30%

## TDA CAM 7

Class A2 (ES0377994019) affirmed at 'BBB-sf', Outlook Stable  
Class A3 (ES0377994027) affirmed at 'BBB-sf', Outlook Stable  
Class B (ES0377994035) affirmed at 'CCCs', Recovery Estimate revised to 70% from 60%

## TDA CAM 8

Class A (ES0377966009) affirmed at 'BB-sf', Outlook Stable  
Class B (ES0377966017) affirmed at 'CCCs', Recovery Estimate revised to 90% from 50%  
Class C (ES0377966025) affirmed at 'CCsf', Recovery Estimate 0%  
Class D (ES0377966033) affirmed at 'CCsf', Recovery Estimate 0%

## TDA CAM 9

Class A1 (ES0377955002) affirmed at 'Bsf', Outlook revised to Stable from Negative  
Class A2 (ES0377955010) affirmed at 'Bsf', Outlook revised to Stable from Negative  
Class A3 (ES0377955028) affirmed at 'Bsf', Outlook revised to Stable from Negative  
Class B (ES0377955036) affirmed at 'CCCs', Recovery Estimate revised to 50% from 15%  
Class C (ES0377955044) affirmed at 'CCsf', Recovery Estimate 0%  
Class D (ES0377955051) affirmed at 'CCsf', Recovery Estimate 0%

## TDA CAM 11

Class A2 (ES0377845013) upgraded to 'A+sf' from 'Asf', Outlook Stable  
Class A3 (ES0377845021) upgraded to 'A+sf' from 'Asf', Outlook Stable  
Class A4 (ES0377845039) upgraded to 'A+sf' from 'Asf', Outlook Stable  
Class B (ES0377845047) upgraded to 'Asf' from 'BBB+sf', Outlook Stable  
Class C (ES0377845054) affirmed at 'Bsf'; Outlook Stable

## TDA CAM 12

Class A2 (ES0377104015) upgraded to 'AA-sf' from 'Asf', Outlook Stable  
Class A3 (ES0377104023) upgraded to 'AA-sf' from 'Asf', Outlook Stable  
Class A4 (ES0377104031) upgraded to 'AA-sf' from 'Asf', Outlook Stable  
Class B (ES0377104049) upgraded to 'A+sf' from 'BBB+sf', Outlook Stable  
Class C (ES0377104056) affirmed at 'Bsf'; Outlook Stable

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria**

Counterparty Criteria for Structured Finance and Covered Bonds (pub. 18 Jul 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=884963](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=884963))  
Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum (pub. 18 Jul 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=884964](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=884964))  
Criteria Addendum: Spain - Residential Mortgage Assumptions (pub. 28 Jul 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=885440](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=885440))  
Criteria for Interest Rate Stresses in Structured Finance Transactions and Covered Bonds (pub. 17 May 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=879815](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=879815))  
Criteria for Servicing Continuity Risk in Structured Finance (pub. 17 Dec 2015)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=875586](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=875586))  
EMEA RMBS Rating Criteria (pub. 18 May 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=881836](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=881836))  
Global Structured Finance Rating Criteria (pub. 27 Jun 2016)  
([https://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=883130](https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=883130))

**Additional Disclosures**

Dodd-Frank Rating Information Disclosure Form  
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Solicitation Status ([https://www.fitchratings.com/gws/en/disclosure/solicitation?pr\\_id=1009971](https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1009971))  
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