

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **FONDO DE TITULIZACIÓN DEL DÉFICIT DEL SISTEMA ELÉCTRICO, F.T.A. Actuaciones sobre las calificaciones de los Bonos de las Series 1, 2, 3, 4, 10,13,14,16,17,18,19 y 20 por parte de Moody's**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A., comunica el siguiente hecho relevante:

Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Moody's con fecha 25 de febrero de 2014, donde se llevan a cabo las siguientes actuaciones:

- Serie 1, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 2, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 3, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 4, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 10, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 13, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 14, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 16, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 17, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 18, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).

- Serie 19, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).
- Serie 20, subida de calificación de Baa3 (sf) a Baa2 (sf) / Upgraded from Baa3 (sf) to Baa2 (sf).

En Madrid a 25 de febrero de 2014

Ramón Pérez Hernández  
Director General

**Rating Action: Moody's upgrades the ratings of the notes issued by Fondo de Titulización del déficit del sistema eléctrico, FTA to Baa2 (sf) from Baa3 (sf)**

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Global Credit Research - 25 Feb 2014

London, 25 February 2014 -- Moody's Investors Service upgraded the ratings of the notes issued by Fondo de Titulización del déficit del sistema eléctrico, FTA to Baa2 (sf) from Baa3 (sf).

Today's upgrades follow Moody's upgrade of Spain's sovereign rating to Baa2 from Baa3 on 21 February 2014. As stated in the rating rationale below, the rating of the notes are fully linked to the rating of the Government of Spain.

Issuer: Fondo de Titulizacion del deficit del sistema electrico, FTA

...EUR2505M Series 1, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR2850M Series 2, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR2649M Series 3, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR2225M Series 4, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR580M Series 10, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR1750M Series 13, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR1000M Series 14, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR1825M Series 16, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR2100M Series 17, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR2000M Series 18, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR1500M Series 19, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Affirmed Baa3 (sf)

...EUR1500M Series 20, Upgraded to Baa2 (sf); previously on Feb 19, 2014 Definitive Rating Assigned Baa3 (sf)

**RATINGS RATIONALE**

The rating of the notes takes into account the specific nature of this transaction and unique structure, which differs substantially from other electricity tariff securitisations and is recognised by a Spanish government royal decree. Moody's assigned the ratings primarily based on: (i) an evaluation of the guarantee from the government of Spain, which guarantees the interest and principal payments on the notes; (ii) the current rating of the government of Spain (Baa2, (P)P-2); and (iii) an evaluation of the structural features of the transaction.

The rationale for the upgrade of the Government of Spain is explained in the press release found in the following link: [https://www.moodys.com/research/Moodys-upgrades-Spains-government-bond-rating-to-Baa2-assigns-positive--PR\\_292078](https://www.moodys.com/research/Moodys-upgrades-Spains-government-bond-rating-to-Baa2-assigns-positive--PR_292078).

The rating of the notes is fully linked to the rating of the Government of Spain, as the claims of the issuer under the guarantee represent an unconditional, irrevocable, legal, valid and binding obligation of the Spanish government, as confirmed by the transaction's legal counsel. Furthermore, if the government of Spain failed to make the required payments under the guarantee, this could trigger an event of default if the management company considered this course of action in the best interest of the noteholders.

The rating of the notes does not consider the additional support that could be brought by the security over the assets due to (a) the potentially large cash-flow mismatches between the assets and the rated liabilities, and (b) the level of predictability of the assets timing of payment based on the available information.

This transaction is a securitisation of credit receivables attributed to certain Spanish utility companies and recognised by Spanish government royal decree. The securitisation allows the utility companies to obtain compensation for shortfalls in the settlement of their regulated activities in the electricity market ("tariff deficit"). The tariff deficit is the difference between the costs incurred to supply the power and the regulated tariffs charged to the end users. The compensation is considered a fixed cost and a fixed amount is added to the electricity bills of the consumers in order to cover this deficit over the next 15 years. The Spanish electricity regulator (Spanish Comisión Nacional de Energía) sets, administers and receives these amounts and passes them on to the specified utilities companies.

The issuer has acquired a portion of the tariff deficit receivables generated between 2003 and 2012. Of the previously issued series currently rated by Moody's, Series 1, Series 2, Series 3, Series 4, Series 10, Series 13, Series 14, Series 16, Series 17, Series 18, Series 19 and Series 20 remain outstanding for an aggregate value of EUR22.484 bn, as well as Series 6, Series 7, Series 8, Series 9, Series 11, Series 12 and Series 15 for an amount of EUR2.175 billion (not rated by Moody's) as part of the programme. The ratings on Series 5 were withdrawn following redemption of the notes. The issuer will be able to acquire additional tariff deficit receivables over the five years following the first issuance and issue new series notes, as well as issue notes to refinance existing series over the next 20 years. At the present time, all receivables identified as available for sale to the securitisation have been assigned. All series of notes will rank *pari passu*.

Both interest and principal due under the notes will be guaranteed by the Government of Spain (rated Baa2 (P)P-2).

The main features of the guarantee granted by the Government of Spain are:

- The guarantee is irrevocable and unconditional
- The maximum limit for the programme amount is EUR26 billion.
- The obligations assumed shall be enforceable on the date where the guaranteed obligation becomes due (principal or ordinary interest).
- The structure envisions that the guarantee will be enforced by the management company (on behalf of the investors).
- The amounts due under the notes accrue penalty interest from due payment date. This penalty interest is covered by the government guarantee from the date the interest / principal payments are due (i.e. from the payment date when a shortfall occurs and needs to be covered by the guarantee), as long as the management company requires the payment to the guarantor within five days from the payment date.

In addition, a credit line granted by Instituto de Crédito Oficial (ICO) for a maximum amount of EUR2 billion will be available to cover the issuer's regular senior expenses as well as interest and principal on all series of notes.

Moody's did not perform any cash flow analysis or simulation of stress scenarios as the rating is based on the rating of the Spanish government through the guarantee.

The rating addresses the expected loss posed to investors by the legal final maturity of the notes (2034). In Moody's opinion, the structure allows for ultimate payment of interest and principal on the Notes. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts published in March 2013. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### FACTORS THAT WOULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATING

The ratings could be upgraded or downgraded reflecting changes in the credit quality of the government of Spain which acts as guarantor of the transaction.

#### 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.

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding the underlying assets or financial instruments related to the monitoring of this transaction in the past six months.

Moody's did not use any models, or loss or cash flow analysis, in its analysis.

Moody's did not use any stress scenario simulations in its analysis.

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 rating action on the support provider and in relation to each particular 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](http://www.moodys.com).

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