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Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **PROGRAMA CÉDULAS TDA, 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 14 de agosto de 2014, donde se lleva a cabo la siguiente actuación:

- Serie A1 ISIN: ES0371622004, de **BBB (sf) / perspectiva estable** a **A (sf) / perspectiva estable**.
- Serie A3 ISIN: ES0371622038, de **BBB (sf) / perspectiva estable** a **A (sf) / perspectiva estable**.
- Serie A4 ISIN: ES0371622012, de **BBB (sf) / perspectiva negativa** a **BBB (sf) / perspectiva estable**.
- Serie A5 ISIN: ES0371622046, de **BBB (sf) / perspectiva negativa** a **BBB (sf) / perspectiva estable**.
- Serie A6 ISIN: ES0371622020, de **BBB (sf) / perspectiva negativa** a **BBB (sf) / perspectiva estable**.

En Madrid a 18 de agosto de 2014

Ramón Pérez Hernández  
Director General



## Fitch Upgrades 13 Multi-Issuer Cedulas Hipotecarias Series Ratings Endorsement

Policy

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**Link to Fitch Ratings' Report:** [Fitch Upgrades 13 Multi-Issuer Cedulas Hipotecarias Series - Rating Action Report](#)

Fitch Ratings-Madrid/London-14 August 2014: Fitch Ratings has upgraded 13 series of multi-issuer cedulas hipotecarias (MICH; CDOs of Spanish mortgage-covered bonds) and affirmed another 19 series. The Outlook on the 13 upgraded series is Stable. Ten of the affirmed 19 series have their Outlooks revised to Stable from Negative.

A complete list of rating actions and associated Outlooks is available at [www.fitchratings.com](http://www.fitchratings.com) or by clicking on the link above.

### KEY RATING DRIVERS

The upgrades reflect the strengthened framework of Cedulas Hipotecarias (CH) after the approval of the EU Bank Recovery and Resolution Directive (BRRD). They also reflect the improved credit quality of MICH portfolios over the last six months, reducing liquidity needs for each rating level.

Portfolio credit quality improvement is driven by the Issuer Default Rating (IDR) and Viability Rating (VR) upgrades of various MICH participating banks and by the Spanish banking sector consolidation where lower-rated banks have been absorbed by higher-rated banks.

For liquidity needs analysis, Fitch has assumed, as a starting point, the VR or the IDR of participating banks. MICH series have been upgraded only if the final rating of the series is able to support an eventual rating downgrade of the participating banks' IDRs to the VR level. The revision of Outlooks to Stable Outlook from Negative on the ten tranches reflects our view that the respective MICH transactions would be able to tolerate a downgrade of the IDRs of participating banks to their VR. This is because the VRs of some participating banks have recently been upgraded.

In line with MICH criteria updated on 25 June, Fitch is now capturing the IDR uplift of up to two notches above the IDR of each CH issuer to determine the liquidity needs of each MICH transaction, while in the past only one notch uplift was captured for banks rated below the sovereign IDR.

Fitch has incorporated in its analysis the recalibrated refinancing spreads of mortgage loans, and the new Residential Mortgages Back Securities (RMBS) and SME CLO rating criteria. The weighted average market value loss of MICH issuing banks has decreased to 12.7% from 14.7%, and the weighted average default rate of MICH issuing banks has increased to 18.7% from 17.5% at a 'BBBs' rating scenario over the last six months.

The analysis of MICH portfolios exposed to single obligors with a relative weight of 33% or more in value terms is complemented with Fitch's specific discontinuity risk assessment on those obligors. Five MICH series, which are exposed to Kutxabank (BBB/Stable/F2), Liberbank (BB+/Negative/B), Unicaja (BBB-/Stable/F3), Caja Laboral Popular Cooperativa de Credito (rated BBB+/Stable/F3) and Cajas Rurales Unidas, Sociedad Cooperativa de Credito (BB/Negative/B), are subject to this discontinuity risk analysis. In our analysis, we have incorporated potential effects of further consolidation in the Spanish banking sector.

### RATING SENSITIVITIES

MICH ratings are vulnerable to a downgrade if any of the following occurs: i) the IDRs of issuing banks are downgraded beyond the current VR; ii) obligor concentrations increase as a result of further consolidation in the banking system; or iii) the relied-upon over collateralisation (OC) of banks fall below the breakeven OC levels.

Breakeven OC for a given CH issuer participating in a MICH will be affected, among others, by the characteristics of the cover pool securing the CH, the agency's refinancing spreads assumptions, and other analytical assumptions determined by Fitch's rating criteria, particularly those related to the credit performance of residential and SME mortgages.

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

Applicable Criteria, Rating Criteria for Multi-Issuer Cédulas Hipotecarias (25 June 2014), Global Rating Criteria for Corporate CDOs (25-June-2014), Covered Bonds Rating Criteria (08 August 2014), Covered Bonds Rating Criteria - Mortgage Liquidity and Refinance Stress Addendum (03 June 2013), Criteria Addendum - Spain (5 June 2014), Criteria for Rating Granular Corporate Balance-Sheet Securitizations (SME CLOs) (05 March 2014), Counterparty Criteria for Structured Finance and Covered Bonds (14 May 2014), Criteria for Rating Caps and Limitations in Global Structured Finance Transactions ( 28 May 2014), and Criteria for Interest Rate Stresses in Structured Finance Transactions  
Global Structured Finance Rating Criteria (04 August 2014), are available on [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

Global Rating Criteria for Corporate CDOs  
Covered Bonds Rating Criteria  
Covered Bonds Rating Criteria - Mortgage Liquidity and Refinance Stress Addendum  
Criteria Addendum: Spain - Residential Mortgage Loss and Cash Flow Assumptions  
Criteria for Rating Granular Corporate Balance-Sheet Securitizations (SME CLOs)  
Counterparty Criteria for Structured Finance and Covered Bonds  
Criteria for Rating Caps and Limitations in Global Structured Finance Transactions  
Criteria for Interest Rate Stresses in Structured Finance Transactions and Covered Bonds  
The Evolving Dynamics of Support for Banks  
Global Structured Finance Rating Criteria  
Cédulas Hipotecarias Legal Framework Review  
Rating Criteria for Multi-Issuer Cédulas Hipotecarias

**Additional Disclosure**

Solicitation Status

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