

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 19 de mayo de 2016, donde se llevan a cabo las siguientes actuaciones:

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

En Madrid a 19 de mayo de 2016

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Director General

Various Rating Actions Taken In 27 Spanish Multicedulas Covered Bond Transactions Following Review

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OVERVIEW

- As part of our ongoing surveillance, we have reviewed our ratings in 27 Spanish multicedulas covered bond transactions.
- Currently, 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 raised our ratings in 22 transactions and affirmed our ratings in five transactions.

MADRID (S&P Global Ratings) May 19, 2016--S&P Global Ratings today raised its credit ratings in 22 Spanish multicedulas covered bond transactions. At the same time, we have affirmed our ratings in five 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 22 Spanish financial institutions issuing the multicedulas transactions that we rate, there are eight issuers for which we rate the CHs: Banco Popular Español S.A., Bankia S.A., CaixaBank S.A., Catalunya Banc, S.A., Ibercaja Banco S.A., Kutxabank S.A., Banco Bilbao Vizcaya Argentaria S.A., and Abanca Corporación Bancaria, S.A.

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

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.

For Bancopopular-E, S.A., the current overcollateralization levels are lower than in our past analysis. However, there is a €130 million guarantee from Banco Popular Español to cover for the payment of Bancopopular-E's outstanding €90 million CH. We have analyzed this guarantee and are comfortable with its enforceability if required. Therefore, we have assessed Bancopopular-E's CH credit quality at 'BBB+'.

The mortgage books of the banks 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 Spanish residential mortgage-backed securities, 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).

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 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,

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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.

Following the abovementioned weak-link approach, today's upgrades reflect that the lowest assessment or rating on the CHs backing the multicedulas portfolio exceeds the current ratings on the multicedulas. This is because the available credit enhancement for all of the CHs participating in these multicedulas currently exceeds the TCE.

In our previous analysis, there were 25 multicedulas for which we rated or assessed at least one of the CHs participating in those multicedulas at a lower rating than the maximum multicedulas rating, 'BBB-' (see "Various Rating Actions Taken In 32 Spanish Multicedulas Covered Bond Transactions Following Criteria Implementation," published on Aug. 18, 2015). This was the case for Unicaja Banco, S.A., for which the available adjusted credit enhancement was commensurate with a 'BBB-' rating. Unicaja Banco participated in 25 multicedulas, which were therefore rated 'BBB-' in line with our weak-link approach. Today's 22 upgrades are of these multicedulas as three multicedulas have redeemed since our previous review.

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 exceeding the TCE, and our assessment of the CHs is now commensurate with a 'BBB+' rating in all cases. Credit numbers have improved, resulting from better quality data provided and improved collateral performance.

Our affirmations reflect that our lowest ratings or assessments of the CHs participating in the multicedulas equal the current ratings on the multicedulas ('BBB+' in this case).

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

RELATED CRITERIA AND RESEARCH

Related Criteria

Various Rating Actions Taken In 27 Spanish Multicedulas Covered Bond Transactions Following Review

- Counterparty Risk Analysis In Covered Bonds, Dec. 21, 2015
- Covered Bond Ratings Framework: Methodology And Assumptions, June 30, 2015
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Analyzing European Commercial Real Estate Collateral In European Covered Bonds, March 31, 2015
- Methodology And Assumptions For Rating Spanish Multicedulas, March 31, 2015
- Covered Bonds Criteria, Dec. 9, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Guarantee Criteria--Structured Finance, May 7, 2013
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- European Economic Snapshots, April 12, 2016
- Europe Is Still Holding On, Amid Negative Rates And Brexit Risk, April 6, 2015
- Spanish RMBS Index Report Q3/Q4 2015: Delinquencies Fall To The Lowest Level Since Q1 2013, April 5, 2016
- Kingdom of Spain 'BBB+/A-2' Ratings Affirmed, Despite Political Uncertainty And Budgetary Challenge; Outlook Stable, April 1, 2016
- Flying On One Engine: The Eurozone Economy Is Fighting For Altitude, March 30, 2016
- European Housing Markets Continue To Heal As Mortgage Rates Stay Low, March 2, 2016
- Global Covered Bond Characteristics And Rating Summary Q4 2015, Dec. 29, 2015
- Assessments For Jurisdictional Support According To Our Covered Bonds Criteria, Dec. 22, 2015
- Assessments For Target Asset Spreads According To Our Covered Bonds Criteria, Dec. 22, 2015
- Most European Bank Ratings Affirmed Following Government Support And ALAC Review, Dec. 2, 2015
- Various Rating Actions Taken In 32 Spanish Multicedulas Covered Bond Transactions Following Criteria Implementation, Aug. 18, 2015
- Outlook Assumptions For the Spanish Residential Mortgage Market, Sept. 18, 2014

Ratings List

Issuer	Issue/program 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+	BBB-	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+	BBB-	ES0312298039

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Ratings List (cont.)

Issuer	Issue/program description	Series	Class	Rating to	Rating from	ISIN
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR1.5 bil fixed-rate notes series VI	VI		BBB+	BBB-	ES0312298054
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR1 bil floating-rate notes series VII	VII		BBB+	BBB-	ES0312298062
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR2.23 bil fixed-rate notes series VIII	VIII		BBB+	BBB-	ES0312298070
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR1.6 bil fixed-rate notes series X	X		BBB+	BBB-	ES0312298096
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR2.58 bil fixed-rate notes series XI	XI		BBB+	BBB-	ES0312298104
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR2 bil fixed-rate notes series XII	XII		BBB+	BBB-	ES0312298112
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR1.55 bil fixed-rate notes series XIII	XIII		BBB+	BBB-	ES0312298120
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR425 mil floating-rate notes series XIV	XIV		BBB+	BBB-	ES0312298138
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR2.81 bil floating-rate notes series XVI (including a further tap issuance EUR540 mil)	XVI		BBB+	BBB-	ES0312298153
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR2.30 bil fixed-rate notes series XXIII	XXIII		BBB+	BBB+	ES0312298229
AyT Cedulas Cajas Global, Fondo de Titulizacion de Activos	EUR500 mil fixed-rate notes series XXV	XXV		BBB+	BBB+	ES0312298245
AyT Cedulas Cajas IX, Fondo de Titulizacion de Activos	EUR5 bil fixed-rate notes			BBB+	BBB-	ES0312358015
AyT Cedulas Cajas V, Fondo de Titulizacion de Activos	EUR3.1 bil fixed-rate notes		B	BBB+	BBB-	ES0370148019
AyT Cedulas Cajas VIII, Fondo de Titulizacion de Activos	EUR4.1 bil fixed-rate notes		B	BBB+	BBB-	ES0312362017
AyT Cedulas Cajas X, Fondo de Titulizacion de Activos	EUR3.9 bil floating- and fixed-rate notes		B	BBB+	BBB-	ES0312342019
Cedulas Grupo Banco Popular 3, Fondo de Titulizacion de Activos	EUR2 bil fixed-rate notes		B	BBB+	BBB+	ES0318822006
Cedulas TDA 5, Fondo de Titulizacion de Activos	EUR1.5 bil fixed-rate notes		A	BBB+	BBB-	ES0317045005
Cedulas TDA 6, Fondo de Titulizacion de Activos	EUR3 bil fixed-rate notes (including EUR1.5 billion fixed-rate notes 2nd issuance)		A	BBB+	BBB-	ES0317046003
Cedulas TDA 7, Fondo de Titulizacion de Activos	EUR2 bil fixed-rate notes		A	BBB+	BBB-	ES0317047001
Fondo de Titulizacion de Activos, Programa Independiente de Titulizacion de Cedulas Hipotecarias	EUR1.2 bil covered bond programme series 1	1	A	BBB+	BBB+	ES0334699008
IM Cedulas 5, Fondo de Titulizacion de Activos	EUR1.25 bil fixed-rate notes			BBB+	BBB+	ES0347849004
Programa Cedulas TDA, Fondo de Titulizacion de Activos	EUR2.31 bil fixed-rate notes (including a further tap issuance EUR60 million) series A4	A4	A	BBB+	BBB-	ES0371622012
Programa Cedulas TDA, Fondo de Titulizacion de Activos	EUR3.805 bil fixed-rate notes (including a further issuance of EUR180 million) series A6	A6		BBB+	BBB-	ES0371622020

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Ratings List (cont.)

Issuer	Issue/program description	Series	Class	Rating to	Rating from	ISIN
Programa Cedulas TDA, Fondo de Titulizacion de Activos	EUR1.15 bil fixed-rate notes series A3	A3		BBB+	BBB-	ES0371622038
Programa Cedulas TDA, Fondo de Titulizacion de Activos	EUR1.31 bil fixed-rate notes (including a further tap issuance of EUR110 million) series A5	A5		BBB+	BBB-	ES0371622046

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