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COMUNICACIÓN DE HECHO RELEVANTE

SRF 2017-2, FONDO DE TITULIZACIÓN

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 10 de octubre de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A, afirmado como **AA+ (sf) / perspectiva estable.**

En Madrid, a 10 de octubre de 2018

Ramón Pérez Hernández
Consejero Delegado



Fitch Affirms Eight Tranches of Spanish RMBS; Downgrades One

Fitch Ratings-Madrid/London-09 October 2018: Fitch Ratings has affirmed eight tranches and downgraded one tranche of seven Spanish RMBS transactions. The Outlooks are Stable. A full list of rating actions is at the end of this rating action commentary.

The transactions comprise Spanish mortgages serviced by Union de Creditos Inmobiliarios (UCI) for FT RMBS Prado IV, V and VI (Prado), Anticipa Real Estate, SLU for SRF 2017-1 FT and SRF 2017-2 FT (SRF), Banco Caixa Geral for IM BCG RMBS 2, FTA and Liberbank (BB/Stable) for IM Cajastur MBS 1, FTA.

KEY RATING DRIVERS

Account Bank Triggers Cap Ratings

The affirmation at 'AA+sf'/Stable of the senior classes of the Prado and SRF transactions reflects the rating cap under Fitch's Counterparty Rating Criteria, due to the account bank replacement triggers being set at 'A-' or 'F1', which are insufficient to support 'AAAsf' ratings. Similarly, the affirmation at 'A+sf'/Stable of IM BCG RMBS 2's senior class reflects the rating cap due to account bank triggers of 'BBB+' and 'F2' insufficient to support 'AAAsf' or 'AAAsf' ratings.

The downgrade of IM Cajastur MBS 1's class A notes to 'Asf' from 'A+sf' reflects the materiality assessment on the contractually ineligible and not restructured SPV account bank provider Banco Santander SA (A-/Stable, deposit rating A/F1), where the reserve fund, which represents a large component of credit enhancement (CE) is held. The notes' rating is capped at Banco Santander SA's deposit rating in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria, a level that is higher than the rating achievable when modelling the loss of the reserve fund.

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The notes are protected by high levels of CE, which are expected to increase further due to the sequential amortisation of the transactions. IM Cajastur MBS 1 is expected to switch to pro-rata amortisation in the

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short term as the proportion of class B notes is close to the 40% threshold.

Late-stage arrears (defined as loans with more than three monthly payments overdue) were reported in the range of 0.1% and 2.0% of the outstanding portfolio balance as of the last reporting periods, while excess spread has been sufficient to cover any outstanding defaults and therefore each transaction's reserve fund remains fully funded at target levels.

No Model Update

As part of this surveillance review, Fitch did not update its asset or cash flow models for the rated tranches of Prado IV and V, SRF and IM BCG RMBS 2 transactions, considering these tranches are at their respective maximum achievable levels, asset composition remains consistent, performance has remained strong and there has been no material changes to the underlying models. This is in accordance with Fitch's European RMBS Rating Criteria.

VARIATIONS FROM CRITERIA

Broker Origination (Prado IV, V, VI)

Fitch has decreased the foreclosure frequency (FF) adjustment associated with these loans to 1.2x from the 1.5x established in its European RMBS Rating criteria. This variation is substantiated by the complete overhaul of origination practices performed by UCI after 2008 and the subsequent improvement in performance in the originator portfolio. The model-implied rating impact associated with this variation is zero and one notches for Prado VI's class A and B notes, and zero and three notches for the class A notes of Prado IV and V, respectively, as at the last review.

SME Borrowers (IM Cajastur MBS 1)

Around 8% of the securitised loans in this transaction were granted to micro and small-medium sized enterprises. Given its residual exposure, Fitch applied its European RMBS Rating Criteria to these loans assuming these borrowers to classify as self-employed and applying a 50% FF incremental adjustment to account for the greater default risk. Fitch also employed its commercial property collateral haircuts to derive the recovery rates for this proportion of the pool. Fitch did not apply its SME Balance Sheet Securitisation Rating Criteria for these loans. No model-implied rating impact has been estimated for this variation.

Foreclosure Timing Assumption (SRF 2017-1 and SRF 2017-2)

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Fitch has reduced the recovery time lag assumption to 54 months for the 'AA' rating category from 60 months in its European RMBS Rating Criteria. This variation is supported by the proactive servicing strategy of the servicer allowed in the documentation, which points towards the prioritisation of consensual repossessions ahead of standard judicial process. No model-implied rating

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impact was linked to this variation as at the last review.

Treatment of Restructured Loans (SRF 2017-2)

Fitch has adjusted the FF expectation for restructured loans (RL) with less than 24 months of clean payment history (CPH) since the last date in arrears upwards to match the one used for RL with CPH of less than 12 months. As such, the FF floor assumed for RL with less than 24 months of CPH is 60% in a 'B' rating scenario. This variation to Fitch's European RMBS Rating Criteria reflects the limited performance data available for these borrowers during a period with a benign low interest rate environment. No model-implied rating impact was linked to this variation as at the last review.

RATING SENSITIVITIES

All else being equal, the rating of IM Cajastur MBS 1's class A notes could be upgraded to 'AAsf' or 'AAAsf' if the reinvestment account bank replacement triggers were updated to 'A-' or 'F2' and 'A' or 'F1' respectively, in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria. The class B notes' ratings could be affected by changes to the rating of the reinvestment account bank (Banco Santander), as the cash reserves held in the bank account represent a very material component of the class B notes' CE.

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 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, while for IM Cajastur MBS 1 Fitch has treated as self-employed borrowers the SME accounts as sourced from the loan by loan data tape from European Data Warehouse. 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.

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reliable.

With respect to Prado, SRF and IM BCG RMBS 2, prior to the transactions closing, Fitch reviewed the results of a third party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis. Prior to the transactions closing, Fitch conducted a review of a small targeted sample of the originator's origination files and found the information contained in the reviewed files to be adequately consistent with the originator's policies and practices and the other information provided to the agency about the asset portfolios.

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

Loan-by-loan portfolio data sourced from the European Data Warehouse as at:

- June 2018 for Prado IV, Prado V, SRF 2017-1 and SRF 2017-2
- July 2018 for Prado VI, IM BCG RMBS 2 and IM Cajastur MBS 1

Transaction reporting as at:

- June 2018 for Prado IV and Prado V provided by Santander de Titulizacion S.G.F.T
- July 2018 for SRF transactions provided by Titulizacion de Activos S.G.F.T
- August 2018 for IM BCG RMBS 2 and IM Cajastur MBS 1 provided by InterMoney Titulizacion S.G.F.T

MODELS

ResiGlobal. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiglobal>)

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

Fitch has taken the following rating actions:

FT, RMBS Prado IV

Class A (ES0305248009) affirmed at 'AA+sf'; Outlook Stable

FT, RMBS Prado V

Class A (ES0305288005) affirmed at 'AA+sf'; Outlook Stable

FT, RMBS Prado VI

Class A (ES0305352009) affirmed at 'AA+sf'; Outlook Stable

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Class B (ES0305352017) affirmed at 'A+sf'; Outlook Stable

SRF 2017-1, FT

Class A (ES0305239008) affirmed at 'AA+sf'; Outlook Stable

SRF 2017-2, FT

Class A (ES0305307003) affirmed at 'AA+sf'; Outlook Stable

IM BCG RMBS 2, FTA

Class A (ES0347421002) affirmed at 'A+sf'; Outlook Stable

IM Cajastur MBS 1, FTA

Class A (ISIN ES0347458004): downgraded to 'Asf' from 'A+sf'; Outlook Stable

Class B (ISIN ES0347458012): affirmed at 'Asf'; Outlook Stable

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European RMBS Rating Criteria (pub. 05 Oct 2018) (<https://www.fitchratings.com/site/re/10047011>)

Fitch Private Retail Stress Assumptions for Structured Finance (pub. 18 May 2018) (<https://www.fitchratings.com/site/re/10018863>)

Global Structured Finance Rating Criteria (pub. 18 May 2018) (<https://www.fitchratings.com/site/re/10018863>)

(<https://www.fitchratings.com/site/re/10029600>)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 01 Aug 2018)

(<https://www.fitchratings.com/site/re/10039504>)

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2018) (<https://www.fitchratings.com/site/re/10039505>)

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>)

Related Research

Fondo de Titulización, RMBS Prado IV - Appendix (<https://www.fitchratings.com/site/re/896584>)

Fondo de Titulización, RMBS Prado V - Appendix (<https://www.fitchratings.com/site/re/10011437>)

Fondo de Titulización, RMBS Prado VI - Appendix (<https://www.fitchratings.com/site/re/10037448>)

IM BCG RMBS 2, FTA - Appendix (<https://www.fitchratings.com/site/re/726399>)

SRF 2017-1 Fondo de Titulización - Appendix (<https://www.fitchratings.com/site/re/896533>)

SRF 2017-2, FT - Appendix (<https://www.fitchratings.com/site/re/10015100>)

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