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Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

SOL-LION, 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 22 de enero de 2016, donde se llevan a cabo las siguientes actuaciones:

- Bono A, de **AA (sf)** / en revisión para posible subida a **AA+ (sf)**.
- Bono B, de **A+ (sf)** / en revisión para posible subida a **AA- (sf)**.
- Bono C, de **BBB (sf)** / en revisión para posible subida a **BBB+ (sf)**.

En Madrid, a 25 de enero de 2016

Ramón Pérez Hernández
Director General

RatingsDirect®

All Ratings Raised In Spanish RMBS Transaction SOL-LION Following Sovereign Upgrade

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OVERVIEW

- On Oct. 2, 2015, we raised our long-term sovereign rating on Spain to 'BBB+' from 'BBB'.
- On Oct. 30, 2015, we consequently placed on CreditWatch positive our ratings on SOL-LION's class A, B, and C notes.
- Following the application of our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating, we have raised and removed from CreditWatch positive our ratings on the class A, B, and C notes.
- SOL-LION is a Spanish RMBS transaction that securitizes a portfolio of first-ranking residential mortgage loans originated by ING Bank (Madrid Branch).

LONDON (Standard & Poor's) Jan. 22, 2016--Standard & Poor's Ratings Services today raised and removed from CreditWatch positive its credit ratings on SOL-LION, Fondo de Titulizacion de Activos' class A, B, and C notes (see list below).

Today's upgrades follow our Oct. 2, 2015 raising of our long-term sovereign rating on Spain to 'BBB+' from 'BBB' and the application of our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria; see "Kingdom of Spain Upgraded To 'BBB+' On Reforms; Outlook Stable" published on Oct. 2, 2015, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction

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Structured Finance," published on May 29, 2015).

On Oct. 30, 2015, we placed on CreditWatch positive our ratings on SOL-LION's class A, B, and C notes (see "Ratings On 88 Spanish RMBS And ABS Tranches Placed On CreditWatch Positive Following Sovereign And Bank Rating Actions")

We have also applied our Spanish residential mortgage-backed securities (RMBS) criteria and current counterparty criteria as part of our analysis (see "Italy And Spain RMBS Methodology And Assumptions," published on Sept. 18, 2014, and "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as moderate. The transaction's notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a severe stress. However, if all six of the conditions in paragraph 44 of the RAS criteria are met, we can assign ratings to the senior-most classes of notes up to a maximum of six notches (two additional notches of uplift) above the sovereign rating, subject to credit enhancement being sufficient to pass an extreme stress (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

Following the application of our RAS criteria, our current counterparty criteria, and our RMBS criteria, we have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating as capped by our current counterparty criteria, and (iii) the rating that the class of notes can attain under our RMBS criteria. In this transaction, the ratings on all classes of notes are constrained by the application of our RAS criteria.

Total arrears have steadily decreased since our previous review, to 0.61% from 0.68% (see "Various Rating Actions Taken In Spanish RMBS Transaction SOL-LION Following Criteria Updates," published on Dec. 23, 2014). Severe delinquencies of more than 90 days, at 0.39%, are lower for this transaction than our Spanish RMBS index (see "Spanish RMBS Index Report Q2 2015: Index Composition Boosts Collateral Performance Slightly," published on Sept. 11, 2015). Defaults in this transaction are defined as loans that are in arrears for more than 18 months. As of the latest interest payment date in November 2015, cumulative defaults were only 0.42% of the initial pool's balance.

SOL-LION has interest deferral triggers, which divert interest in the transaction so that, in bad economic conditions, the more senior notes amortize before the payment of the interest on the subordinated classes of notes. The first interest deferral trigger is set at 7.50% of cumulative

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defaults over the initial balance. We do not expect the trigger to be breached over the next 18 months because cumulative defaults are still low.

We consider that the available credit enhancement for the class A notes is sufficient to pass an extreme stress and that all six conditions in paragraph 44 of the RAS criteria are met. Consequently, our rating on this class of notes can be a maximum of six notches above the long-term sovereign rating. We have therefore raised to 'AA+ (sf)' from 'AA (sf)' and removed from CreditWatch positive our rating on the class A notes.

Although the available credit enhancement for the class B notes can also pass an extreme stress, the application of our RAS criteria caps the rating on this class of notes at 'AA- (sf)', four notches above the long-term sovereign rating, because not all of the conditions in paragraph 44 of the RAS criteria are met. We have therefore raised to 'AA- (sf)' from 'A+ (sf)' and removed from CreditWatch positive our rating on the class B notes.

Under our RMBS criteria, our credit and cash flow analysis indicates that the available credit enhancement for the class C notes is commensurate with a 'A- (sf)' rating. However, under our RAS criteria, the available credit enhancement for this class of notes is not sufficient to pass a severe stress. Therefore, the class C notes cannot be rated above the long-term sovereign rating. We have therefore raised to 'BBB+ (sf)' from 'BBB (sf)' and removed from CreditWatch positive our rating on the class C notes.

We also consider credit stability in our analysis (see "Methodology: Credit Stability Criteria," published on May 3, 2010). To reflect moderate stress conditions, we adjusted our weighted-average foreclosure frequency assumptions by assuming additional arrears of 8% for one- and three-year horizons, for 30-90 days arrears, and 90+ days arrears. This did not result in our ratings deteriorating below the maximum projected deterioration that we would associate with each relevant rating level, as outlined in our credit stability criteria.

In our opinion, the outlook for the Spanish residential mortgage and real estate market is not benign and we have therefore increased our expected 'B' foreclosure frequency assumption to 3.33% from 2.00%, when we apply our RMBS criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Sept. 18, 2014). We base these assumptions on our expectation of continuing high unemployment in 2016.

Spain's economic recovery is gaining momentum, but this is currently only supporting a marginal improvement in the collateral performance of transactions in our Spanish RMBS index. Despite positive macroeconomic indicators and low interest rates, persistent high unemployment and low household income ratios continue to constrain the RMBS sector's nascent recovery, in our view.

We expect severe arrears in the portfolios to remain vulnerable to downside risks. These include high unemployment and fiscal tightening. On the positive

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side, we expect interest rates to remain low for the foreseeable future and stronger economic growth.

SOL-LION is a Spanish RMBS transaction, which securitizes a pool of first-ranking mortgage loans originated by ING Bank N.V. (Madrid Branch). The mortgage loans are mainly located in the regions of Madrid, Catalonia, and Andalusia, and the transaction comprises loans granted to prime borrowers.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, May 29, 2015
- Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Assessing Bank Branch Creditworthiness, Oct. 14 2013
- Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- Eurozone Recovery: Hangin' In There Despite Weak Foreign Demand, Nov. 25, 2015
- Ratings On 88 Spanish RMBS And ABS Tranches Placed On CreditWatch Positive Following Sovereign And Bank Rating Actions, Oct. 30, 2015
- Kingdom of Spain Upgraded To 'BBB+' On Reforms; Outlook Stable, Oct. 2, 2015
- Eurozone Economic Outlook: Steady For Now, Despite Slower World Trade, Sept. 30, 2015
- Spanish RMBS Index Report Q2 2015: Index Composition Boosts Collateral Performance Slightly, Sept. 11, 2015
- 2015 EMEA RMBS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Low Lending Rates And Stronger Economic Growth Are Reviving Europe's Housing Markets, July 30, 2015
- Various Rating Actions Taken In Spanish RMBS Transaction SOL-LION Following Criteria Updates, Dec. 23, 2014
- Outlook Assumptions For The Spanish Residential Mortgage Market, Sept.

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18, 2014

- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

RATINGS LIST

Class	Rating
To	From

SOL-LION, Fondo de Titulizacion de Activos
€4.5 Billion Mortgage-Backed Floating-Rate Notes

Ratings Raised And Removed From CreditWatch Positive

A	AA+ (sf)	AA (sf)/Watch Pos
B	AA- (sf)	A+ (sf)/Watch Pos
C	BBB+ (sf)	BBB (sf)/Watch Pos

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