

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA TARRAGONA 1, 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 26 de julio de 2019, donde se llevan a cabo las siguientes actuaciones:

- Bono A, afirmado como **A (sf)**
- Bono B, afirmado como **A (sf)**

En Madrid, a 29 de julio de 2019

Ramón Pérez Hernández  
Consejero Delegado

# TDA Tarragona 1 Spanish RMBS Transaction Ratings Affirmed

July 26, 2019

## Ratings List

Issuer	
TDA Tarragona 1, Fondo de Titulizacion de Activos	
Class	Rating
A	A (sf)
B	A (sf)

## Overview

- Following our review of TDA Tarragona 1 under our relevant criteria, we have affirmed our 'A (sf)' rating on the class A and B notes.
- TDA Tarragona 1 is a Spanish RMBS transaction, which closed in November 2007 and securitizes first-ranking mortgage loans.

MADRID (S&P Global Ratings) July 26, 2019--S&P Global Ratings today affirmed its 'A (sf)' credit rating on TDA Tarragona 1, Fondo de Titulizacion de Activos' class A and B notes. The transaction also has class C and D notes that are not rated by S&P Global Ratings.

Upon revising our counterparty criteria, we placed our ratings on TDA Tarragona 1's class A and B notes under criteria observation (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019). Following our review of the transaction's performance and the application of these criteria, our ratings on these notes are no longer under criteria observation.

Today's rating actions follow the implementation of our revised structured finance counterparty criteria. They also reflect our analysis of the most recent transaction information that we have received and the transaction's current structural features.

Our current counterparty criteria cap our ratings on the class A and B notes at our long-term 'A' issuer credit rating (ICR) on Banco Santander. If our long-term ICR on the bank account provider falls below 'A', the transaction enters a 60-day remedy period, in which the bank account counterparty should replace itself with a 'A' rated entity or find a 'BBB+' rated guarantor. When the long-term ICR on Banco Santander was below the required level, the entity did not take the remedy actions. Therefore, under our current counterparty criteria, the class A and B notes cannot

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achieve a higher rating than our long-term 'A' ICR on Banco Santander.

Similarly, under the transaction documents, if our long-term ICR on the swap provider, Cecabank S.A., falls below 'BBB+', the transaction enters a 60-day remedy period, in which the swap counterparty should replace itself with a 'BBB+' rated entity or find a 'BBB+' rated guarantor. Our long-term ICR on Cecabank is below the required level, and it did not take the remedy actions. Therefore, we cannot give credit to the swap agreement at a higher rating level than our long-term ICR on the swap provider. We therefore conducted our cash flow analysis assuming that the transaction does not benefit from any support from the swap provider, and we have delinked our ratings on the notes from our long-term ICR on the swap provider.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign. Therefore, our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level is 0.9%. Our foreclosure frequency assumption is 2.00% for the archetypal pool at the 'B' rating level.

Below are the credit analysis results after applying our European residential loans criteria to this transaction.

### Credit Analysis Results

Rating level	WAFF (%)	WALS (%)
AAA	23.76	21.22
AA	16.20	15.85
A	12.21	8.85
BBB	8.98	5.85
BB	5.77	4.14
B	3.33	2.89

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Since our previous review, the transaction's collateral performance has been stable, associated with a limited decrease in our weighted-average foreclosure frequency and weighted-average loss severity calculation compared to our July 2018 analysis (see "All Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1, Fondo de Titulizacion de Activos," published July 3, 2018). Credit enhancement available in TDA Tarragona 1 has actually reduced marginally since our previous review due to the notes' principal pro rata amortization. The reserve fund has been at its required level since the September 2016 payment date. BBVA has been the servicer of this pool of loans since July 2014. The observed transaction performance in the past five years is due to BBVA's active servicing policies, the sale of nonperforming collateral in July 2014, and the improved general macroeconomic conditions, namely the unemployment rate decrease.

The class A and B notes' credit enhancement based on the notes' performing balances and the transaction's available reserve fund stand at 22.6% and 15.3% compared to 23.0% and 15.7% in our last review.

Following the application of our revised criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our sovereign risk criteria; (ii) the rating as capped by our counterparty criteria; or (iii) the rating that

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the class of notes can attain under our European residential loans criteria.

The application of our structured finance sovereign risk criteria caps our ratings on the class A and B notes at six notches above our unsolicited 'A-' long-term sovereign rating on Spain. Our ratings are further capped at the 'A' rating level under our current counterparty criteria by the bank account downgrade language. We have therefore affirmed at 'A (sf)' our ratings on the class A and B notes.

TDA Tarragona 1 is a Spanish residential mortgage-backed securities transaction, which closed in June 2007 and securitizes first-ranking mortgage loans. Catalunya Banc (formerly named Catalunya Caixa), now part of BBVA, originated the pool, which comprises loans secured over owner-occupied properties, mainly located in Catalonia.

## Related Criteria

- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

## Related Research

- Spanish RMBS Index Report Q1 2019, May 28, 2019
- European Economic Snapshots: Domestic Demand Still A Safety Net, April 12, 2019
- Spain 'A-/A-2' Ratings Affirmed; Outlook Positive, March 22, 2019
- Europe's Housing Markets Ease Off The Accelerator, Feb. 19, 2019
- Why 2019 Could Be A Good Year For Spanish RMBS Ratings, Feb. 6, 2019
- All Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1, Fondo de Titulizacion de Activos, July 3, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018

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- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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