

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

## **COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE**

### **Caixa Penedes 1 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 la siguiente información relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 30 de abril de 2020, donde se llevan a cabo las siguientes actuaciones:

- Bono A, perspectiva de revisión mantenida; **A+ (sf); RW: Neg**
- Bono B, afirmado como **BBB (sf); RO:Sta**
- Bono C, afirmado como **BB (sf); RO:Sta**

En Madrid, a 4 de mayo de 2020

Ramón Pérez Hernández  
Consejero Delegado

30 Apr 2020 | Affirmation

## Fitch Takes Rating Action on 2 Spanish RMBS

---

Fitch Ratings-Madrid-30 April 2020:

Fitch Ratings has affirmed three tranches of Sol-Lion, FTA RMBS transaction and affirmed two tranches of Caixa Penedes 1, FTA (Penedes). Additionally, Fitch has maintained Penedes' class A notes on Rating Watch Negative (RWN). The rating actions are listed below:

### SOL-LION, FTA

---Class A ES0317104000; Long Term Rating; Affirmed; AA+sf; RO:Sta

---Class B ES0317104018; Long Term Rating; Affirmed; AA-sf; RO:Sta

---Class C ES0317104026; Long Term Rating; Affirmed; A+sf; RO:Sta

### Caixa Penedes 1 TDA, FTA

---Class A ES0313252001; Long Term Rating; Rating Watch Maintained; A+sf; RW: Neg

---Class B ES0313252019; Long Term Rating; Affirmed; BBBsf; RO:Sta

---Class C ES0313252027; Long Term Rating; Affirmed; BBsf; RO:Sta

### Transaction Summary

The transactions comprise residential mortgages serviced by ING Direct, which is the Spanish branch of ING Bank N.V (AA-/Negative) for Sol-Lion, and Banco de Sabadell S.A. (BBB/Negative) for Penedes.

### KEY RATING DRIVERS

#### Penedes RWN Linked to Mandatory Leases in Catalonia

The maintained RWN on Penedes' class A notes reflects the possible adverse effects of the Catalanian Decree Law 17/2019 that allows some defaulted borrowers to remain in their homes as tenants for as long as 14 years and paying a low monthly rent. Around 98% of Penedes' current portfolio balance is exposed to the region of Catalonia. Fitch expects to resolve the RWN within the next 10 months, with a likely rating impact that could range between an affirmation to a multi-notch downgrade (see Fitch Places 18 Tranches of 9 Spanish RMBS on RWN; Affirms Others dated 27 February 2020 at [www.fitchratings.com](http://www.fitchratings.com) for more details).

To address the regional concentration risk, Fitch applies higher rating multiples within its credit analysis to the base foreclosure frequency (FF) assumption to the portion of the portfolio that exceeds 2.5x the population within this region, in line with Fitch's European RMBS rating criteria.

#### Stable Credit Enhancement (CE)

For both transactions, Fitch expects structural CE to remain stable or gradually increase over the short to medium term, considering the prevailing pro-rata amortisation of the notes and the reserve fund levels that are at or close to their respective floors. CE ratios will increase faster once amortisation of the notes switches back to fully sequential, when the outstanding portfolio balance represents less than 10% (currently between 19% and 32% for Penedes and Sol-Lion, respectively) of the initial balance or sooner if performance triggers are breached.

#### Resilient to COVID-19 Stresses

Fitch views both transactions as resilient to the higher projected losses linked to the coronavirus and containment measures under the agency's baseline expectation, as CE ratios are able to mitigate the additional risks. Moreover, liquidity protection is sufficient to mitigate the effects of payment holidays if offered to vulnerable borrowers. The sensitivity of the ratings to scenarios more severe than currently expected is provided in Rating Sensitivities below.

As of the latest reporting dates, the balance of loans in arrears by more than three months (excluding defaults) remained below 1% relative to current portfolio balances for both transactions, and the balance of gross cumulative defaults stood at 3.5% (Penedes) and 0.7% (Sol-Lion) relative to the initial portfolio balances. Fitch's analysis of Sol-Lion included a performance adjustment factor of 100% driven by the possible repurchase activity of the originator on defaulted loans observed last year.

#### Penedes Partly Unhedged

Penedes is exposed to an open interest rate risk especially in a rising interest rate scenario, because the notes pay a floating coupon rate linked to three-month Euribor, but around 32% of the underlying mortgages pay a fixed interest rate. The rest of the portfolio pays a floating rate mainly linked to 12-month Euribor and there is a hedging arrangement that mitigates basis risk. Fitch views current and projected CE ratios on the notes sufficient to withstand the cash flow stress associated with this unhedged portion of the collateral, as reflected in the affirmations.

#### Sol-Lion Equity Release Loans

Around 29% of Sol-Lion's portfolio was granted for the purpose of equity release. In line with Fitch's European RMBS rating criteria, a FF adjustment of 150% has been applied to these loans

because they are considered riskier than traditional home acquisition loans.

#### ESG Considerations - Governance

Caixa Penedes has an Environmental, Social and Governance (ESG) Relevance Score of 4 for Transaction & Collateral Structure due to loan modifications after transaction closing that introduced interest rate risk, which has a negative impact on the credit profile, and is relevant to the rating in combination with other factors.

#### RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- CE ratios increase as the transactions deleverage, able to fully compensate the credit losses and cash flow stresses commensurate with higher rating scenarios, all else being equal.
- For Penedes, the introduction of an interest rate hedging agreement that mitigates the open interest rate risk as liabilities pay a floating coupon rate linked to three-month Euribor, but around 32% of the underlying mortgages pay a fixed interest rate.
- For Sol-Lion, a smaller relative share of equity release loans within the portfolio balance as these carry a larger FF expectation in Fitch's analysis.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Penedes' class A notes could be downgraded if a large number of mandatory leases were extended by the SPV for the longest possible period of 14 years permitted by law, as this would imply a weaker cash flow position for the SPV with reduced cash collections and larger expenses linked to property maintenance costs.
- A longer-than-expected coronavirus crisis that deteriorates macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. To approximate this scenario, Fitch conducted a rating sensitivity by increasing default rates by 30% and haircutting recovery expectations by 15%, which would imply a downgrade of between one and two rating categories for most of the notes.
- Transaction liquidity positions weaken due to large take-ups on mortgage payment moratoriums and new defaults as a consequence of the coronavirus crisis.

#### Best/Worst Case Rating Scenario

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

#### USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC 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. For Sol-Lion, because loan-by-loan portfolio data sourced from the European Data Warehouse did not fully reconcile with the portfolio data as of the closing date with respect to loan purpose, Fitch has assumed the initial share of the portfolio linked to equity release loans of 29% to remain applicable. For Penedes, there were no findings that affected the rating analysis.

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. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

#### SOURCES OF INFORMATION

The information below was used in the analysis:

Issuer and servicer reports as of January 2020 (Caixa Penedes) and February 2020 (Sol-Lion) provided by Titulización de Activos SGFT, SA.

Portfolio loan level data as of December 2019 (Caixa Penedes) and January 2020 (Sol-Lion) sourced from the European Data Warehouse.

#### REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

For Sol-Lion, because loan-by-loan portfolio data sourced from the European Data Warehouse did not fully reconcile with the portfolio data as of the closing date with respect to loan purpose, Fitch has assumed the initial share of the portfolio linked to equity release loans of 29% to remain applicable. For Penedes, there were no findings that affected the rating analysis.

#### MODELS

[ResiGlobal.](#)

[EMEA Cash Flow Model.](#)

#### ESG Considerations

Caixa Penedes has an Environmental, Social and Governance (ESG) Relevance Score of 4 for Transaction & Collateral Structure due to loan modifications after transaction closing that introduced interest rate risk, which has a negative impact on the credit profile, and is relevant to the rating in combination with other factors. Except for the matters discussed above, the highest level of ESG credit relevance, if present, is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity(ies), either due to their nature or the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

#### Contacts:

Surveillance Rating Analyst

Beatriz Gomez Crespo,

Associate Director

+34 91 702 5775

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB  
Madrid 28046

Committee Chairperson  
Juan David Garcia,  
Senior Director  
+34 91 702 5774

Media Relations: Athos Larkou, London, Tel: +44 20 3530 1549, Email:  
athos.larkou@thefitchgroup.com

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

### **Applicable Criteria**

[European RMBS Rating Criteria \(pub. 28 Feb 2020\) \(including rating assumption sensitivity\)](#)

[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds \(Excel\) \(pub. 06 Dec 2019\)](#)

[Global Structured Finance Rating Criteria \(pub. 02 May 2019\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 06 Feb 2020\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

### **Applicable Model**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.7.0 (1)

ResiGlobal Model: Europe, v1.6.2 (1)

### **Additional Disclosures**

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Status](#)

[Endorsement Policy](#)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE

READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2020 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently



forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit

rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

---

**ENDORSEMENT POLICY** - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the [EU Regulatory Disclosures](#) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.