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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

PROGRAMA CÉDULAS 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 24 de Abril de 2020, donde se lleva a cabo la siguiente actuación:

- Serie A4 ISIN: ES0371622012, de **A (sf) / perspectiva estable a A (sf) / perspectiva de revisión negativa.**
- Serie A5 ISIN: ES0371622046, de **A (sf) / perspectiva estable a confirmado A (sf) / perspectiva negativa.**
- Serie A6 ISIN: ES0371622020, de **A- (sf) / perspectiva estable a confirmado A- (sf) / perspectiva negativa.**

En Madrid a 27 de Abril de 2020

Ramón Pérez Hernández
Consejero Delegado

24 Apr 2020 | Rating Changed Outlook to Negative

Fitch Places one MICH Transaction on RWN; Revises Outlook on 7 Series to Negative

Fitch Ratings-Madrid-24 April 2020:

Fitch Ratings has placed one multi-issuer Cédulas Hipotecarias (MICH) series on Rating Watch Negative (RWN). Fitch has also revised the Outlook to Negative from Stable on seven other series and affirmed the remaining three series. A full list of rating actions is below.

KEY RATING DRIVERS

Negative Outlooks Driven by Liquidity Risk

The Outlook revision to Negative from Stable on six MICH series reflects the possibility of rating downgrades in the short-to medium-term, as the Long-Term Issuer Default Ratings (IDR) of most of the participating banks within these series are either on RWN or Negative Outlook. A weaker rating profile of the participating banks in a MICH transaction implies a larger default rate expectation and greater liquidity needs to ensure payment continuity on the MICH bonds of at least one year as per the agency's Multi-Issuer Cédulas Hipotecarias Rating Criteria.

If the participating banks are ultimately downgraded, these MICH transactions could also be downgraded as explained in Ratings Sensitivities section below (see "Fitch Takes Action on 17 Spanish Banking Groups On Heightened Challenges from Coronavirus Outbreak" dated 27 March 2020 and available at www.fitchratings.com).

Obligor Concentration Risk

The RWN on Programa Cédulas TDA Series 4 and the Outlook revision to Negative on IM Cédulas 7 mirror the corresponding rating actions taken on the IDR of the respective largest participating banks Bankia S.A. (BBB/RWN/F2) and Caja Laboral Popular Cooperativa de Crédito (BBB+/Negative/F2).

The ratings of these two MICH series are capped because of single obligor concentrations at more than 33% in volume terms of the corresponding CH portfolios. The analysis of MICH portfolios exposed to large single obligors is complemented by Fitch's specific payment continuity assessment of those transactions as per the agency's Multi-Issuer Cédulas Hipotecarias Rating

Criteria. Resolution of the RWN on Programa Cedulas TDA Series 4 is directly linked to the resolution of RWN on Bankia, which may take longer than six months.

Ample OC Compensates for COVID-19 Stresses

Fitch expects the coronavirus containment measures to negatively affect the performance of Spanish residential mortgages and commercial loans, due to rapid job losses, weakening consumer demand and various markets remaining depressed. To reflect such adverse macroeconomic circumstances, Fitch's credit analysis of the cover pools has accommodated additional sensitivities linked to larger projected losses and increased refinancing spreads, which we found are fully compensated by the participating banks' overcollateralisation (OC) ratios.

As of December 2019, relied-upon OCs across all the participating banks ranged between 64% and 618% which are much larger than the estimated supporting OC ratios in a 'A' rating scenario that range between 29% and 48%. The smallest buffer between relied-upon OC and supporting OC ratios in a 'A' rating scenario across all participating banks was 32pp of December 2019.

RATING SENSITIVITIES

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

- The participating banks' IDRs are upgraded and thus the expected default rate of CH portfolios decreases. In this scenario, the available liquidity at each MICH series would be stronger and a rating upgrade could take place.
- The introduction of dedicated liquidity protection mechanisms that effectively mitigate payment interruption risk on the Spanish covered bonds. This is because the underlying CH have hard-bullet redemptions while the cover assets gradually amortise.

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

- For Programa Cedulas TDA Series 4 and IM Cedulas 7, the downgrade of Bankia's or CLCC's IDR would lead to an equivalent downgrade of the MICH rating, due to a direct linkage between the rating profile of those participating banks and that of the MICH ratings given the presence of obligor concentration risk.
- For the 6 MICH series with an Outlook revision to Negative, a downgrade of the participating banks' IDRs by a notch could result in a corresponding one-notch downgrade on the MICH series rating.

-A fall in the relied-upon OC of the banks below the supporting OC levels. Supporting OC for a given bank will be affected, among others by the characteristics of the cover pool securing the CH and the agency's refinancing spread assumptions.

-Obligor concentration increases as a result of further consolidation of the banking system.

Best/Worst Case Rating Scenario

International scale credit ratings of Financial Institutions issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three 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 four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. 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>.

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.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The RWN on Programa Cedulas TDA Series 4 and the Outlook revision to Negative on IM Cedulas 7 mirror the corresponding rating actions taken on the Long-Term Issuer Default Ratings (IDR) of the respective largest participating banks.

ESG Considerations

The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to 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

AyT Cédulas Cajas Global, FTA

----senior secured, Mortgage Covered Bonds, MICH Series X; Long Term Rating; Affirmed; A; RO:Neg

----senior secured, Mortgage Covered Bonds, MICH Series VI; Long Term Rating; Affirmed; A-; RO:Sta

----senior secured, Mortgage Covered Bonds, MICH Series III; Long Term Rating; Affirmed; A; RO:Neg

----senior secured, Mortgage Covered Bonds, MICH Series XIII; Long Term Rating; Affirmed; A-;

RO:Sta

AyT Cédulas Cajas X, FTA

----senior secured, Mortgage Covered Bonds, MICH; Long Term Rating; Affirmed; A-; RO:Neg

Programa Cédulas TDA, FTA

----senior secured, Mortgage Covered Bonds, MICH Series A4; Long Term Rating; Rating Watch On;

A; RW: Neg

----senior secured, Mortgage Covered Bonds, MICH Series A5; Long Term Rating; Affirmed; A;

RO:Neg

----senior secured, Mortgage Covered Bonds, MICH Series A6; Long Term Rating; Affirmed; A-;

RO:Neg

IM Cédulas 7 FTA

----senior secured, Mortgage Covered Bonds, MICH; Long Term Rating; Affirmed; A+; RO:Neg

CEDULAS TDA 6, FTA

----senior secured, Mortgage Covered Bonds, MICH; Long Term Rating; Affirmed; A; RO:Neg

IM Cédulas 10 FTA

----senior secured, Mortgage Covered Bonds, MICH; Long Term Rating; Affirmed; A; RO:Sta

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Additional information is available on www.fitchratings.com

Applicable Criteria

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

[Multi-Issuer Cedulas Hipotecarias Rating Criteria \(pub. 10 Dec 2019\) \(including rating assumption sensitivity\)](#)

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

[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).

MICH Model, v4.35.1 (1)

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