

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 3 de julio de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A, desde **A- (sf)/perspectiva de revisión positiva a A (sf)**
- Bono B, desde **A- (sf)/perspectiva de revisión positiva a A (sf)**

En Madrid, a 4 de julio de 2018

Ramón Pérez Hernández  
Consejero Delegado

## All Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1, Fondo de Titulizacion de Activos

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### OVERVIEW

- On March 23, 2018, we raised our unsolicited long-term sovereign rating on Spain to 'A-' from 'BBB+'.
- Following the sovereign upgrade, on April 6, 2018, we raised our long-term issuer credit rating on Banco Santander, the bank account provider in this transaction.
- On April 17, 2018, we revised our outlook assumptions for the Spanish residential mortgage market to benign to reflect the improved Spanish residential mortgage and real estate market, and lowered our projected losses at the 'B' rating level for the archetypal Spanish pool.
- On April 24, 2018, we placed on CreditWatch positive our ratings on TDA Tarragona 1's class A and B notes, as we needed to conduct a full analysis to determine the impact of these recent events.
- Following our review of this transaction under our relevant criteria, we have raised our ratings on both classes of notes and resolved our CreditWatch placements.
- TDA Tarragona 1 is a Spanish RMBS transaction, which closed in November 2007. The loans are secured over Spanish properties, mainly in Catalonia (close to 95% of the balance of the outstanding pool). Caixa D'Estalvis de Tarragona originated the underlying loans.

LONDON (S&P Global Ratings) July 3, 2018--S&P Global Ratings today raised and removed from CreditWatch positive its credit ratings on TDA Tarragona 1, Fondo de Titulizacion de Activos' class A and B notes (see list below).

Today's rating actions follow the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and reflect the transaction's current structural features (see "Related Criteria"). We have also considered our updated outlook assumptions for the Spanish residential mortgage market (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on April 17, 2018).

Our structured finance ratings above the sovereign (RAS) criteria classify the sensitivity of this transaction as moderate (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). Therefore, after our March 23, 2018 upgrade of Spain to 'A-' from 'BBB+', the highest rating that we can assign to the senior-most tranche in this transaction is six notches above the Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met (see "Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive"). For all the other tranches, the highest rating that we can assign is four notches above the sovereign rating.

Following the sovereign upgrade, on April 6, 2018, we raised to 'A' from 'A-' our long-term issuer credit rating (ICR) on Banco Santander S.A., which is the bank account provider in this transaction (see "Reduced Funding Risks Lead To Upgrades At Several Spanish Banks").

Our current counterparty criteria cap our ratings on the class A and B notes at our long-term 'A' ICR on Banco Santander (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). 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 documented required level the entity did not take the documented remedy actions. Therefore, under our current counterparty criteria, the class A and B notes cannot achieve a rating that exceeds 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 documented required level and it did not take the documented remedy actions. Therefore, we cannot give credit to the swap agreement at a rating level that exceeds 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 have delinked our ratings on the notes in this transaction 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, we revised our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level to 0.9% from 1.6%, in line with table 87 of our European residential loans criteria, by lowering our foreclosure frequency assumption to 2.00% from 3.33% for the archetypal pool at the 'B' rating level (see "Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on April 17, 2018).

After applying our European residential loans criteria to this transaction, the overall effect in our credit analysis results is a decrease in the required credit coverage for each rating level compared with our previous review, mainly driven by our revised foreclosure frequency assumptions (see "Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1 Following Sovereign And Counterparty Upgrade," published on Feb. 4, 2016).

Rating level	WAFF (%)	WALS (%)
AAA	25.58	22.68
AA	17.52	18.02
A	13.21	11.10
BBB	9.71	7.92
BB	6.22	6.02
B	3.58	4.55

Since our previous review, the class A and B notes' credit enhancement has remained stable, at 23.0% and 15.7%, respectively, due to the notes' pro rata amortization. The reserve fund has been at its required level since the September 2016 payment date.

Following the application of our 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 RAS criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

The application of our RAS criteria caps our ratings on the class A and B notes at six and four notches, respectively, above our unsolicited 'A-' long-term sovereign rating on Spain. Our ratings are further capped under our current counterparty criteria by the bank account downgrade language at the 'A' rating level. We have therefore raised to 'A (sf)' from 'A- (sf)' and removed from CreditWatch positive our ratings on the class A and B notes.

TDA Tarragona 1 is a Spanish residential mortgage-backed securities (RMBS)

transaction that closed in November 2007. The loans are secured over Spanish properties, mainly in Catalonia (close to 95% of the outstanding pool balance). Caixa D'Estalvis de Tarragona originated the underlying loans.

#### RELATED CRITERIA

- 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: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- 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: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Global Derivative Agreement Criteria, June 24, 2013
- 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
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

#### RELATED RESEARCH

- Spanish RMBS Index Report Q1 2018, May 24, 2018
- Ratings On 213 Tranches In 82 Spanish RMBS Transactions Placed On CreditWatch Positive, April 24, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans, April 17, 2018
- Reduced Funding Risks Lead To Upgrades At Several Spanish Banks, April 6, 2018
- Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive, March 23, 2018
- 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
- Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1 Following Sovereign And Counterparty Upgrade, Feb. 4, 2016

*All Ratings Raised In Spanish RMBS Transaction TDA Tarragona 1, Fondo de Titulizacion de Activos*

RATINGS LIST

Class	To	Rating	From
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TDA Tarragona 1, Fondo de Titulizacion de Activos  
€397.4 Million Mortgage-Backed Floating-Rate Notes

Ratings Raised And Removed From CreditWatch Positive

A	A (sf)	A- (sf)/Watch Pos
B	A (sf)	A- (sf)/Watch Pos

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