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Madrid

COMUNICACIÓN DE HECHO 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 el siguiente Hecho Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 27 de Mayo de 2019, donde se lleva a cabo la siguiente actuación:

- Serie A4 ISIN: ES0371622012, de **A- (sf) / perspectiva positiva** a **A (sf) / perspectiva estable**
- Serie A5 ISIN: ES0371622046, de **A- (sf) / perspectiva estable** a **A (sf) / perspectiva estable**
- Serie A6 ISIN: ES0371622020, de **BBB+ (sf) / perspectiva estable** a **A- (sf) / perspectiva estable**

En Madrid a 27 de Mayo de 2019

Ramón Pérez Hernández
Consejero Delegado



Fitch Upgrades 5 Multi-Issuer Cedulas Hipotecarias Transactions; Affirms 9

Link to Fitch Ratings' Report(s):

[Fitch Upgrades 5 Multi-Issuer Cedulas Hipotecarias Transactions; Affirms 9](#)

Fitch Ratings - Madrid - 27 May 2019: Fitch Ratings has upgraded five and affirmed nine Spanish multi-issuer cedulas hipotecarias (MICH) transactions. The Outlooks are Stable. A full list of rating actions is available at www.fitchratings.com or by clicking on the link above.

KEY RATING DRIVERS

Improved Portfolio Quality

The rating actions reflect the improved credit quality of the MICH portfolios over the past months driven by the one notch-upgrade of the Long-Term Issuer Default Ratings (IDRs) of Abanca (BBB-/Stable), Bankia (BBB/Stable) and Liberbank (BB+/Stable), and Banco Sabadell's BBB/Stable rating. The upgraded MICH series have an average 49% exposure to these four banks.

Large Over-Collateralisation (OC) Buffer

The relied upon level of OC of the participating banks ranged between 571% and 63% as of 1Q19, which is much larger than the estimated supporting OC ratio at a 'A' rating scenario, which ranges between 48% and 32%. The smallest buffer between relied upon OC and supporting OC ratios in a 'A' rating scenario across all participating banks was 29pp as of 1Q19.

Obligor Concentration Risk

The ratings of Programa Cedulas TDA Series 4 and IM Cedulas 7 are capped because of single obligor concentrations larger than 33% in volume terms of the corresponding CH portfolios to Bankia and Caja Laboral Popular Cooperativa de Credito (BBB+/Stable/F2), respectively. 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 criteria.

Cover Pool Loss

The average 'B' rating scenario lifetime loss rate estimate on the mortgage cover pools has reduced to 7% from 8% as of December 2017. This is mainly driven by the higher recovery expectations on defaulted loans linked to the increasing house price indexation trend over the past year.

RATING SENSITIVITIES

MICH ratings are vulnerable to a downgrade if any of the following occurs: i) obligor concentrations increase as a result of further consolidation of the banking system; ii) the IDRs of issuing banks are downgraded; iii) the available liquidity for each series becomes insufficient to mitigate liquidity risks in the event of CH defaulting; and iv) the relied upon OC of the participating banks falls below the supporting OC levels.

Supporting OC for a given CH issuer participating in a MICH will be affected, among others by the characteristics of the cover pool securing the CH, the agency's refinancing spread assumptions, and other analytical assumptions determined by Fitch's rating criteria, particularly those related to the credit performance of residential and SME mortgages.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The MICH ratings are driven by the credit risk of the participating banks as measured by its Long-Term IDR.

RATING ACTIONS		
ENTITY/DEBT	RATING	PRIOR
AyT Cédulas Cajas Global, FTA		
senior secured, Mortgage Covered Bonds, MICH Series X	LT A ● Affirmed	A ●
senior secured, Mortgage Covered Bonds, MICH Series VI	LT A- ● Upgrade	BBB+ ●
senior secured, Mortgage Covered Bonds, MICH Series III	LT A ● Affirmed	A ●
senior secured, Mortgage Covered Bonds, MICH Series XIII	LT A- ● Affirmed	A- ●
AyT Cédulas Cajas IX, FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A- ● Affirmed	A- ●
AyT Cédulas Cajas VIII, FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A ● Affirmed	A ●
AyT Cédulas Cajas X, FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A- ● Upgrade	BBB+ ●
CEDULAS TDA 5, FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A ● Affirmed	A ●
CEDULAS TDA 6, FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A ● Affirmed	A ●
IM Cédulas 10 FTA		
senior secured, Mortgage Covered Bonds, MICH	LT A ● Affirmed	A ●
IM Cédulas 7 FTA		

senior secured, Mortgage Covered Bonds, MICH	LT A+ ● Affirmed	A+ ●
Programa Cedulas TDA, FTA		
senior secured, Mortgage Covered Bonds, MICH Series A4	LT A ● Upgrade	A-
senior secured, Mortgage Covered Bonds, MICH Series A5	LT A ● Upgrade	A- ●
senior secured, Mortgage Covered Bonds, MICH Series A6	LT A- ● Upgrade	BBB+ ●

Additional information is available on www.fitchratings.com

Applicable Criteria

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 23 Oct 2018)

Multi-Issuer Cedulas Hipotecarias Rating Criteria (pub. 20 Dec 2018)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 08 Mar 2019)

Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds (pub. 08 Mar 2019)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 18 Apr 2019)

Global Structured Finance Rating Criteria (pub. 02 May 2019)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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