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COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

CAIXA PENEDES 1 TDA, 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 la siguiente información relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard & Poor's, con fecha 26 de junio de 2020, donde se llevan a cabo las siguientes actuaciones:

- Bono A, confirmada como **A- (sf).**
- Bono B, desde **BB- (sf)** a **BBB- (sf).**
- Bono C, desde **B- (sf)** a **B (sf).**

En Madrid, a 20 de julio de 2020

Ramón Pérez Hernández
Consejero Delegado

Various Rating Actions Taken On CAIXA PENEDES 1's Spanish RMBS Notes Following Review

June 26, 2020

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Overview

- On May 6, 2020, we placed on CreditWatch negative our rating on CAIXA PENEDES 1's class A notes after revising our Spanish residential mortgage market outlook to non-benign.
- Following our review of CAIXA PENEDES 1 under our relevant criteria, we have taken various rating actions and resolved our CreditWatch placement.
- CAIXA PENEDES 1 is a Spanish RMBS transaction that securitizes a portfolio of residential mortgage loans. It closed in October 2006.

MADRID (S&P Global Ratings) June 26, 2020--S&P Global Ratings today affirmed and removed from CreditWatch negative its rating on CAIXA PENEDES 1 TDA Fondo de Titulizacion de Activos' class A notes. At the same time, we have raised our ratings on the class B and C notes.

Today's rating actions follow our May 6, 2020, CreditWatch negative placement of our rating on CAIXA PENEDES 1's class A notes (see "17 Ratings From Spanish, Portuguese, Dutch, And U.K. RMBS Transactions Placed On Watch Negative"). Our review reflects the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and considers the transaction's current structural features (see "Related Criteria").

We have also considered our updated market outlooks and additional COVID-19 stresses to account for the current macroeconomic environment (see "Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts," published on May 1, 2020). In addition to applying increased base foreclosure frequencies at the 'B' to 'AA+' ratings, we have tested the sensitivity of the transaction to stressed payment holidays on 25% of collections received over the first six months, projected arrears, and delayed the time to recovery by 6 and 12 months as part of our analysis of this transaction.

Arrears have slightly increased since our previous full review, but they remain well below our Spanish RMBS index. Total arrears stand at 1.7% as of April 2020, an increase from 0.7% as of December 2017. Of the pool, only 0.27% of the loans are in legal moratoria payments due to the COVID-19 credit impact. All of them will finish the legal moratoria in up to two months. However, we expect that some of these loans will adhere to the sector moratoria promoted by the banking sector initiative or the servicer's own initiative if the borrowers are still facing liquidity issues after the legal has elapsed.

After applying our European residential loans criteria to this transaction, the overall effect in our credit analysis results is higher credit coverage for 'BBB' and below rating levels compared with our previous full review. Our base foreclosure frequencies have increased, although this is partially offset by the lower weighted-average life (WALS) because the transaction benefits from a higher repossession market-value decline and lower current loan-to-value (LTV) ratio as the collateral is fully amortizing.

Credit Analysis Results

	WAFF	WALS
AAA	18.55%	4.89%
AA	13.02%	2.73%
A	9.86%	2.00%
BBB	7.54%	2.00%
BB	5.18%	2.00%
B	3.38%	2.00%

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

The class A, B, and C notes' credit enhancement has increased to 13.5%, 7.24%, and 2.74%, respectively, due to the notes' amortization, despite the pro rata amortization because the reserve fund is at its floor level (i.e., €5 million). The improvement in cash flow results is due to the increase in credit enhancement, which has offset the increase in required credit coverage.

There are interest deferral triggers in this transaction, based on gross cumulative defaults, to allow for deferral of interest junior in the waterfall if the transaction's performance deteriorates. The triggers are set at 7.5% and 4.9% for the class B and C notes, respectively. Currently, the level of gross cumulative defaults as a percentage of the closing pool balance is 3.49%.

Under our counterparty criteria, the swap documentation caps our ratings on this transaction at 'AA (sf)'. The replacement framework for the transaction bank account does not limit the maximum potential rating on the notes (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019).

Our updated credit and cash flow analysis indicates that the available credit enhancement for the class A notes is commensurate with the currently assigned rating. In reviewing this rating, we considered the relative improvement in credit enhancement and its effect on our cash flow results since our last full review in the context of deteriorating macroeconomic conditions. Therefore, we have affirmed and removed from CreditWatch negative our rating on the class A notes.

We have raised to 'BBB- (sf)' and 'B (sf)' our ratings on the class B and C notes, respectively. Our updated credit and cash flow analysis indicates that the available credit enhancement for the class B and C notes is commensurate with higher ratings than those we assigned. However, in reviewing our ratings on these classes of notes, in addition to applying our credit and cash flow analysis, we considered other factors. First of all, we considered the relative position of those classes in the capital structure and the significantly lower credit enhancement compared to the senior notes, as well as the deteriorating macroeconomic conditions.

The deteriorating macroeconomic environment could potentially negatively affect the transaction's collateral performance, with the potential for reduced collections due to payment moratoriums due to COVID-19. As aforementioned, loans subject to COVID-19 moratoriums are very limited in this portfolio. Our credit and cash flow analysis and related assumptions also consider the sensitivity of the transaction to the potential repercussions of the coronavirus outbreak, namely a longer recovery timing and additional delinquency stresses. Considering these factors, we believe that the available credit enhancement for each class of notes is commensurate with the assigned ratings.

The analytical framework in our structured finance sovereign risk criteria assesses a security's ability to withstand a sovereign default scenario (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published on Jan. 30, 2019). These criteria classify the sensitivity of this transaction as low, so the highest rating that we can assign to the tranches in this transaction is six notches above the unsolicited sovereign rating on Spain. Our sovereign risk criteria do not limit the maximum potential ratings on the class A and B notes, but cap the rating on the class C notes at the sovereign rating level, of 'A'.

S&P Global Ratings acknowledges a high degree of uncertainty about the evolution of the coronavirus pandemic. The consensus among health experts is that the pandemic may now be at, or near, its peak in some regions but will remain a threat until a vaccine or effective treatment is widely available, which may not occur until the second half of 2021. We are using this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- 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
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- 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: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- Government Job Support Will Stem European Housing Market Price Falls, May 15, 2020
- 17 Ratings From Spanish, Portuguese, Dutch, And U.K. RMBS Transactions Placed On Watch Negative, May 6, 2020
- European Economic Snapshots: Larger Risks To Growth Loom Ahead, May 5, 2020
- Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts, May 1, 2020
- Banking Industry Country Risk Assessment Update: April 2020, May 1, 2020
- 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