

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

COMUNICACIÓN DE HECHO RELEVANTE

TDA IBERCAJA 3, 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 2 de febrero de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A, de **BBB+ (sf)** a **A+ (sf)**.
- Bono B, de **BB (sf)** a **BB+ (sf)**.
- Bono C, de **B (sf)** a **BB (sf)**.

En Madrid, a 6 de febrero de 2018

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All Ratings Raised In Spanish RMBS Transaction TDA Ibercaja 3

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OVERVIEW

- We have reviewed TDA Ibercaja 3 following its improved collateral performance and credit enhancement levels.
- Following our review, we have raised our ratings on the class A, B, and C notes.
- TDA Ibercaja 3 is a Spanish RMBS transaction that closed in May 2006.

MADRID (S&P Global Ratings) Feb. 2, 2018--S&P Global Ratings today raised its credit ratings on TDA Ibercaja 3 Fondo de Titulizacion de Activos' class A, B, and C notes (see list below).

Today's upgrades follow the application of our relevant criteria and our credit and cash flow analysis of the most recent transaction information that we have received, and reflect the transaction's current structural features (see "Related Criteria").

Long-term delinquencies (defined in this transaction as loans in arrears for more than 90 days, excluding defaults) have decreased to 0.34% from 0.69% since our previous full review on Dec. 1, 2014, with outstanding defaulted loans (loans in arrears for more than 18 months) net of recoveries standing at 0.45% of the initial balance of the pool (see "Various Rating Actions Taken In Spanish RMBS Transactions TDA Ibercaja 3 And 7 Following Application Of

Updated Criteria").

In our opinion, the outlook for the Spanish residential mortgage and real estate market is not benign and we have therefore increased our expected 'B' foreclosure frequency assumption to 3.33% from 2.00%, when we apply our European residential loans criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Dec. 27, 2017, and "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Aug. 4, 2017).

Our credit analysis results show a decrease in both the weighted-average foreclosure frequency (WAFF) and weighted-average loss severity (WALS) for each rating level based on the higher seasoning of the pool, the transaction's improved performance, and the lower current loan-to-value ratios.

Rating level	WAFF (%)	WALS (%)
AAA	14.22	9.95
AA	10.63	7.64
A	8.69	4.20
BBB	6.31	2.80
BB	4.05	2.01
B	3.37	2.00

The reserve fund is at the required level and is currently at its floor value of €5 million, which represents 1.77% of the current notes' balance. All classes of notes are amortizing pro rata. There are interest deferral triggers for the subordinated notes in this transaction, based on the level of outstanding defaults net of recoveries over the original balance of the assets securitized, which as of today is 0.45%. Given that the lowest interest deferral trigger (class C trigger) is set at 4.30%, and based on the pool's historical favorable performance, we don't expect the triggers to be breached in the short to medium term.

Ibercaja Banco S.A. has a standardized, integrated, and centralized servicing platform. It is a servicer for a large number of Spanish residential mortgage-backed securities (RMBS) transactions, and the historical performance of the Ibercaja Banco transactions has outperformed our Spanish RMBS index (see "Spanish RMBS Index Q3 2017," published on Nov. 22, 2017). We believe that these factors should contribute to the likely lower cost of replacing the servicer, and have therefore applied a lower floor to the stressed servicing fee, at 35 basis points (bps) instead of 50 bps in our cash flow analysis, in line with our European residential loans criteria.

The bank account provider in this transaction is Societe Generale S.A. (Madrid Branch), which has downgrade language commensurate with a 'AAA (sf)' rating. The swap counterparty is Banco Santander S.A. (A-/Stable/A-2). Considering the remedial actions defined in the swap counterparty agreement, that the swap counterparty is not currently posting collateral, and its current issuer credit rating (ICR), under our current counterparty criteria the maximum

rating the notes in this transaction can achieve is 'AA (sf)' (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Following the application of our structured finance ratings above the sovereign (RAS) criteria, counterparty, and European residential loans criteria, we have determined that our assigned ratings on the class A 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 current counterparty criteria, and (iii) the rating that the class of notes can attain under our European residential loans criteria (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). In this transaction, the application of our RAS criteria caps our ratings on the class A notes at three notches above our 'BBB+' foreign currency long-term sovereign rating on Spain.

Taking into account the results of our application of our European residential loans criteria, the class A notes are able to pass our 'A+' rating level stresses. Accordingly, we have raised to 'A+ (sf)' from 'BBB+ (sf)' our rating on the class A notes.

We have raised our ratings on the class B and C notes as the credit enhancement for these classes of notes is commensurate with the stresses we apply at higher levels than those currently assigned. Our ratings on the class B and C notes are linked to our long-term ICR on the servicer, Ibercaja Banco (BB+/Positive/B), as in our cash flow analysis we are excluding the application of a commingling loss.

TDA Ibercaja 3 is a Spanish RMBS transaction that closed in May 2006. The transaction securitizes residential loans originated by Ibercaja Banco, which were granted to individuals for the acquisition of their first residence, mainly concentrated in Madrid and Aragon, Ibercaja Banco's main markets.

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
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- 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
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- Outlook Assumptions For The Spanish Residential Mortgage Market, Dec. 29, 2017
- Spanish RMBS Index Q3 2017, Nov. 22, 2017
- Kingdom Of Spain 'BBB+/A-2' Ratings Affirmed; Outlook Positive, Sept. 29, 2017
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Europe's Housing Markets Continue To Recover Amid Extended QE, Feb. 17, 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
- Various Rating Actions Taken In Spanish RMBS Transactions TDA Ibercaja 3 And 7 Following Application Of Updated Criteria, Dec. 1, 2014

RATINGS LIST

TDA Ibercaja 3, Fondo de Titulizacion de Activos
€1.007 Billion Mortgage-Backed Floating-Rate Notes

Class	Rating	
	To	From
Ratings Raised		
A	A+ (sf)	BBB+ (sf)
B	BB+ (sf)	BB (sf)
C	BB (sf)	B (sf)

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