

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA IBERCAJA 2, 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 Global Ratings con fecha 27 de febrero de 2017, donde se llevan a cabo las siguientes actuaciones:

- Bono A, a **AA- (sf)** desde **BBB+ (sf)**.
- Bono B, a **BBB (sf)** desde **BB+ (sf)**.
- Bono C, **confirmado como BB (sf)**.
- Bono D, **confirmado como B+ (sf)**.

En Madrid, a 12 de abril de 2017

Ramón Pérez Hernández  
Consejero Delegado

## Rating Actions Taken On TDA Ibercaja 2's Spanish RMBS Notes Following Improved Performance

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### OVERVIEW

- We have reviewed TDA Ibercaja 2 following its improved collateral performance and credit enhancement levels.
- Following our review, we have raised our ratings on the class A and B notes.
- We have also affirmed our ratings on the class C and D notes.
- TDA Ibercaja 2 is a Spanish RMBS transaction that closed in October 2005.

MADRID (S&P Global Ratings) Feb. 27, 2017--S&P Global Ratings today raised its credit ratings on TDA Ibercaja 2 Fondo de Titulizacion de Activos' class A and B notes. At the same time, we have affirmed our ratings on the class C and D notes (see list below).

Today's rating actions 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 0.36% from 0.44% since our previous full review in October 2014, with defaulted loans (loans in

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arrears for more than 18 months) standing at 0.26% (see "Various Rating Actions Taken On TDA Ibercaja 1 And TDA Ibercaja 2's Spanish RMBS Notes Following Criteria Updates," published on Oct. 31, 2014).

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 June 24, 2016, and "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Dec. 23, 2016). We base these assumptions on our expectation that economic growth will mildly deteriorate. We expect nominal house prices in Spain to rise by 2.5% this year, after gaining 4.0% in 2016. We foresee slower house price growth of 2.0% in 2018, as inflation edges up and fiscal policies tighten.

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 (LTV) ratios. Under our European residential loans criteria, our expected credit losses are subject to a floor of 4.00% for a 'AAA' rating level and a floor of 0.35% for a 'B' rating level. We have therefore increased the WALS for TDA Ibercaja 2 to meet the minimum levels under European residential loans criteria. The overall effect is an increase in the required credit coverage for each rating level in the transaction.

Rating level	WAFF (%)	WALS (%)
AAA	14.99	17.35
AA	11.21	14.66
A	9.13	9.99
BBB	6.64	9.50
BB	4.25	7.10
B	3.54	5.63

The transaction's fixed reserve fund is currently undrawn and cannot amortize. This has resulted in an increase in credit enhancement, if we account for the level of available performing collateral and cash reserve in the transaction, since our previous review for the class A, B, C, and D notes, even though the notes are amortizing on a pro rata basis. There are interest deferral triggers for the subordinated notes in this transaction, based on the level of outstanding defaults over the original balance of the assets securitized, which as of today, is at 0.26%. Given that the lowest interest deferral trigger (class D trigger) is set at 3.3%, and based on the pool's historical favorable performance, we don't expect the triggers to be breached in the short to medium term.

We have given benefit to the swap counterparty, Credit Suisse International as the downgrade language in place is in line with our current counterparty

criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). The guaranteed investment contract (GIC) provider in this transaction is Societe Generale S.A. (Madrid Branch), which has a downgrade language commensurate with a 'AAA (sf)' rating.

Our analysis indicates that the class A notes should be able to withstand a severe but not extreme sovereign default and repay timely interest and principal by legal final maturity. Therefore, the rating on the class A notes in this transaction is constrained by our structured finance ratings above the sovereign criteria (RAS criteria) at four notches above our 'BBB+' long-term sovereign rating on Spain (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016).

TDA Ibercaja 2 has a standardized, integrated, and centralized servicing platform. It is a servicer for a large number of Spanish RMBS transactions, and the historical performance of the Ibercaja Banco S.A. transactions has outperformed our Spanish RMBS index. 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 table 74 of our European residential loans criteria.

Taking into account the results of our credit and cash flow analysis, and the application of our RAS criteria, we consider that the available credit enhancement for the class A notes is commensurate with a 'AA-' rating. Accordingly, we have raised to 'AA- (sf)' from 'BBB (sf)' our rating on the class A notes. Our analysis also indicates that the available credit enhancement for the class B notes is commensurate with a 'BBB' rating. We have therefore raised to 'BBB (sf)' from 'BB+ (sf)' our rating on this class of notes.

We have affirmed our 'BB (sf)' and 'B+ (sf)' ratings on the class C and D notes, respectively, as the available credit enhancement is commensurate with the currently assigned ratings.

TDA Ibercaja 2 is a Spanish RMBS transaction that closed in October 2005. 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, Dec. 23, 2016
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 08, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities

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- Or Sale Of Collateral Upon A Nonmonetary EOD, March 02, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 09, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Legal Criteria: Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 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
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 01, 2012
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 03, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

### RELATED RESEARCH

- 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
- Spanish RMBS Index Report Q3 2016, Dec. 13, 2016
- Kingdom of Spain 'BBB+/A-2' Ratings Affirmed; Outlook Stable, Sept. 30, 2016
- Outlook Assumptions For The Spanish Residential Mortgage Market, June 24, 2016
- 2015 EMEA RMBS Scenario And Sensitivity Analysis, Aug. 6, 2015
- Various Rating Actions Taken On TDA Ibercaja 1 And TDA Ibercaja 2's Spanish RMBS Notes Following Criteria Updates, Oct. 31, 2014

### RATINGS LIST

TDA Ibercaja 2 Fondo de Titulizacion de Activos  
€904.5 Million Mortgage-Backed Floating-Rate Notes

Class	Rating	
	To	From
Ratings Raised		
A	AA- (sf)	BBB (sf)

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B                    BBB (sf)                    BB+ (sf)

Ratings Affirmed

C                    BB (sf)

D                    B+ (sf)

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