

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 and Poors Global 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 Standard and Poor's Global Ratings, con fecha 23 de julio de 2019, donde se llevan a cabo las siguientes actuaciones:

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

En Madrid a 25 de julio de 2019

Ramón Pérez Hernández
Consejero Delegado

TDA Ibercaja 2 Spanish RMBS Ratings Raised Following Review

July 23, 2019

Ratings List

Issuer		
TDA Ibercaja 2 Fondo de Titulizacion de Activos		
Class	Rating to	Rating from
A	AAA (sf)	AA (sf)
B	AA- (sf)	A- (sf)
C	BBB+ (sf)	BB+ (sf)
D	BBB- (sf)	BB- (sf)

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Overview

- Following our review of TDA Ibercaja 2 under our relevant criteria, we have raised our ratings on the class A, B, C, and D notes.
- TDA Ibercaja 2 is a Spanish RMBS transaction that closed in October 2005.

MADRID (S&P Global Ratings) July 23, 2019--S&P Global Ratings today raised its ratings on TDA Ibercaja 2 Fondo de Titulizacion de Activos' class A, B, C and D notes (see list above).

Upon revising our structured finance sovereign risk criteria and our counterparty criteria, we placed our ratings on the class A and B notes under criteria observation (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published on Jan. 30, 2019, and "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019). Following our review of the transaction's performance and the application of these criteria, our ratings on these notes are no longer under criteria observation.

Today's upgrades follow the application of our revised structured finance sovereign risk criteria and counterparty criteria. They also reflect our full analysis of the most recent transaction information that we have received, and they reflect the transaction's current structural features.

The analytical framework in our revised structured finance sovereign risk criteria assesses a security's ability to withstand a sovereign default scenario. These criteria classify the sensitivity of this transaction as low. Therefore, the highest rating that we can assign to the tranches in this transaction is six notches above the Spanish unsolicited sovereign rating, or 'AAA (sf)', if certain

TDA Ibercaja 2 Spanish RMBS Ratings Raised Following Review

conditions are met.

Under our previous criteria, we could rate the senior-most tranche in a transaction up to six notches above the sovereign rating, while we could rate the remaining tranches in a transaction up to four notches above the sovereign. Additionally, under the previous criteria, in order to rate a tranche up to six notches above the sovereign, the tranche would have had to sustain an extreme stress (equivalent to 'AAA' benign stresses). Under the revised criteria, these particular conditions have been replaced with the introduction of the low sensitivity category. In order to rate a structured finance tranche above a sovereign that is rated 'A+' and below, we account for the impact of a sovereign default to determine if under such stress the security continues to meet its obligations. For Spanish transactions, we typically use asset-class specific assumptions from our standard 'A' run to replicate the impact of the sovereign default scenario.

The servicer, 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 Ibercaja Banco transactions' historical performance has outperformed our Spanish RMBS index (see "Spanish RMBS Index Report Q1 2019," published on May 28, 2019).

The swap counterparty is Credit Suisse International. The remedial actions defined in the swap agreement are in line with option two of our previous counterparty criteria. The collateral framework under our new criteria is adequate. Based on the combination of the replacement commitment and the collateral posting framework, the maximum supported rating in this transaction is 'AAA (sf)'. The guaranteed investment contract (GIC) provider in this transaction is Societe Generale S.A. (Madrid Branch), which has downgrade language which is commensurate with a 'AAA (sf)' rating under our updated counterparty criteria.

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, our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level is 0.9%. Our foreclosure frequency assumption is 2.00% for the archetypal pool at the 'B' rating level.

Below are the credit analysis results after applying our European residential loans criteria to this transaction.

WAFF And WALs Levels

Rating level	WAFF (%)	WALS (%)
AAA	14.53	6.09
AA	9.87	3.64
A	7.43	2.00
BBB	5.51	2.00
BB	3.60	2.00
B	2.13	2.00

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

Although the notes are paying pro rata, the class A, B, and C notes' available credit enhancement has slightly increased to 9.10%, 4.70%, 3.26% and 2.31%, respectively, due to the required reserve fund being at its floor.

TDA Ibercaja 2 Spanish RMBS Ratings Raised Following Review

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 sovereign risk criteria; (ii) the rating as capped by our counterparty criteria; and (iii) the rating that the class of notes can attain under our European residential loans criteria.

Our rating on the class A notes is no longer capped by the application of our sovereign risk criteria. Our credit and cash flow results indicate that the credit enhancement available for this class of notes is commensurate with a 'AAA (sf)' rating. We have therefore raised to 'AAA (sf)' from 'AA (sf)' our rating on this class of notes.

Under our credit and cash flow analysis, the class B, C, and D notes could withstand our stresses at a higher rating level than their current ratings; however, the ratings were constrained by additional factors we considered. First, we considered the relative position of these classes in the capital structure and their lower and different credit enhancement compared to the senior notes. We have therefore raised to 'AA- (sf)', 'BBB+ (sf)' and 'BBB- (sf)', from 'A- (sf)', 'BB+ (sf)' and 'BB- (sf)' respectively our ratings on these class of notes.

Our ratings on the class C and D notes are no longer linked to our long-term issuer credit rating on the servicer, Ibercaja Banco S.A., as the available credit enhancement for these tranches is commensurate with the stresses we apply at this rating level, assuming a commingling stress. Like in other Spanish RMBS transactions, commingling risk is considered a loss in our cash flow analysis. All scheduled payments are made via direct debt to the servicer's collection account, and funds are swept daily to the transaction account. We have reassessed our view on the commingling risk of this transaction to reflect that the direct debit instructions could be changed relatively quickly and that prepayment behavior would significantly reduce if the servicer became insolvent. This reassessment of the mitigants provided by the direct debit payments and reduced prepayments following servicer insolvency had a positive impact on our cash flow results.

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: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Guidance | 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

TDA Ibercaja 2 Spanish RMBS Ratings Raised Following Review

- 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

- European Economic Snapshots: Domestic Demand Still A Safety Net, April 12, 2019
- Spain 'A-/A-2' Ratings Affirmed; Outlook Positive, March 22, 2019
- European RMBS Index Report 2018, Feb. 19, 2019
- Spanish RMBS Index Report Q1 2019, May 28, 2019
- Europe's Housing Markets Ease Off The Accelerator, Feb. 19, 2019
- Why 2019 Could Be A Good Year For Spanish RMBS Ratings, Feb. 6, 2019
- All TDA Ibercaja 2 Spanish RMBS Ratings Raised And Removed From CreditWatch Positive Following Review, July 5, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 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

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