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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE HECHO RELEVANTE

TDA IBERCAJA 1, 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 31 de octubre de 2014, donde se llevan a cabo las siguientes actuaciones:

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

En Madrid, a 13 de noviembre de 2014

Ramón Pérez Hernández
Director General

Various Rating Actions Taken On TDA Ibercaja 1 And TDA Ibercaja 2's Spanish RMBS Notes Following Criteria Updates

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OVERVIEW

- We have reviewed TDA Ibercaja 1 and TDA Ibercaja 2 by conducting our credit and cash flow analysis under our updated Spanish RMBS criteria and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating.
- Following our review, we have taken various rating actions in both transactions.
- TDA Ibercaja 1 and TDA Ibercaja 2 are Spanish RMBS transactions, which securitize portfolios of first-ranking mortgage loans granted to Spanish residents. The transactions closed in November 2003 and October 2005, respectively.

LONDON (Standard & Poor's) Oct. 31, 2014--Standard & Poor's Ratings Services today took various credit rating actions in TDA Ibercaja 1 Fondo de Titulizacion de Activos and TDA Ibercaja 2 Fondo de Titulizacion de Activos.

Specifically we have:
- Lowered our ratings on TDA Ibercaja 1's class A and D notes;
- Lowered our rating on TDA Ibercaja 2's class A notes;
- Affirmed our ratings on TDA Ibercaja 1's class B and C notes; and
- Affirmed our ratings on TDA Ibercaja 2's class B, C, and D notes (see

list below).

Upon publishing our updated criteria for Spanish residential mortgage-backed securities (RMBS criteria) and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria), we placed those ratings that could potentially be affected "under criteria observation" (see "Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation," and "Italy And Spain RMBS Methodology And Assumptions," both published on Sept. 18, 2014, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on Sept. 19, 2014).

Following our review of these transactions, our ratings that could potentially be affected by the criteria are no longer under criteria observation.

Today's rating actions follow our credit and cash flow analysis of the most recent transaction information that we have received dated June 2014. Our analysis reflects the application of our RMBS criteria and our RAS criteria.

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so pay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as 'moderate'. Under our RAS criteria, these transactions' notes could therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a "severe" stress. As not all of the conditions in paragraph 48 of the RAS criteria are met in TDA Ibercaja 1, we cannot assign up to two notches of uplift to the most senior class of notes in this transaction (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

As our long-term rating on the Kingdom of Spain is 'BBB', our RAS criteria cap at 'A+ (sf)' the maximum potential rating on the class A notes in TDA Ibercaja 1.

TDA Ibercaja 1's class A notes' credit enhancement has increased to 10.78%, from 4.60% at closing in November 2003. It has increased for TDA Ibercaja 2's class A notes to 7.96%, from 3.80% at closing in October 2005.

These transactions feature reserve funds, which currently represent 3.13% of TDA Ibercaja 1's outstanding balance and 1.34% of TDA Ibercaja 2's outstanding balance. The cash reserves are at their target amounts for both transactions. TDA Ibercaja 1's reserve fund started to amortize three years after closing. It has now reached its target level and will not amortize further. TDA Ibercaja 2's reserve fund has not amortized.

Severe delinquencies of more than 90 days are at 0.35% and 0.44% for TDA Ibercaja 1 and TDA Ibercaja 2, respectively, and are lower than our Spanish RMBS index (see "Spanish RMBS Index Report Q1 2014: Collateral Performance Continues To Deteriorate Despite Signs Of Economic Recovery," published on June 6, 2014). Cumulative defaults for TDA Ibercaja 1 and TDA Ibercaja 2 are at 0.27% and 0.14%%, respectively, and are also lower than in other Spanish RMBS transactions that we rate. Prepayment levels remain low and the transactions are unlikely to pay down significantly in the near term, in our opinion.

After applying our RMBS criteria to these transactions, our credit analysis results show a decrease in the weighted-average foreclosure frequency (WAFF) for TDA Ibercaja 1. For TDA Ibercaja 2, our credit analysis results show a decrease in the WAFF for rating levels above 'A' and an increase for lower rating levels. The weighted-average loss severity (WALS) has increased at each rating level for both transactions.

TDA Ibercaja 1

Rating level	WAFF (%)	WALS (%)	CC
AAA	17.69	14.00	2.48
AA	13.19	12.53	1.65
A	10.74	8.74	0.94
BBB	7.80	9.02	0.70
BB	4.96	7.67	0.38
B	4.13	6.46	0.27

TDA Ibercaja 2

Rating level	WAFF (%)	WALS (%)	CC
AAA	18.02	13.72	2.47
AA	13.54	10.72	1.45
A	11.01	6.37	0.70
BBB	8.02	4.47	0.36
BB	5.14	3.36	0.17
B	4.29	2.51	0.11

CC--Credit coverage.

The decreases in the WAFFs are mainly due to adjustment factors that we have applied to the original loan-to-value (LTV) ratios, the different adjustments that we apply to seasoned loans, geographical province concentration adjustments, and adjustment factors that we apply for jumbo loans under our RMBS criteria. The increases in the WALS is mainly due to the application of our revised market value decline assumptions and the indexing of our valuations under our RMBS criteria. Under our 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--the same levels of projected losses as those in our global RMBS criteria. We have therefore increased the WALS for TDA Ibercaja 1 to meet the minimum levels under our RMBS criteria. The overall effect is an increase in the required credit coverage for each rating level for both transactions.

Following the application of our RAS criteria and our RMBS criteria, we have determined that our assigned rating on each class of notes in these transactions should be the lower of (i) the rating as capped by our RAS criteria and (ii) the rating that the class of notes can attain under our RMBS criteria. Our rating on TDA Ibercaja 1's class A notes is constrained by the rating on the sovereign.

TDA Ibercaja 1's class A notes do not pass all of the conditions under our RAS criteria to permit a six-notch uplift from our long-term sovereign rating on Spain. Specifically, the tranche does not pass our RAS extreme stress. Consequently, the maximum notches of uplift for this class of notes is four notches above the sovereign rating. We have therefore lowered to 'A+ (sf)' from 'AA- (sf)' our rating on this class of notes.

Following the application of our RMBS criteria, and after we applied our delayed recession timing, TDA Ibercaja 1's class D notes' cash flow results indicate that this class can only withstand our stresses at a 'B' rating level. Consequently, we have lowered to 'B (sf)' from 'BB (sf)' our rating on this class of notes.

TDA Ibercaja 1's class B notes do not pass our cash flow stresses under our RAS criteria, and therefore do not achieve any notches of uplift above the sovereign rating. We have therefore affirmed our 'BBB (sf)' rating on this class of notes. We have also affirmed our 'BB+ (sf)' rating on the class C notes because the available credit enhancement is commensurate with our currently assigned rating.

TDA Ibercaja 2's class A notes do not pass our cash flow stresses under our RAS criteria, and therefore do not achieve any notches of uplift above the sovereign rating. Specifically, the tranche does not pass our benign 'A' sovereign run. Following the application of our RMBS criteria, and after we applied our delayed recession timing, the class A notes' cash flow results indicate that they can only withstand our stress at a 'BBB' rating level. Consequently, we have lowered to 'BBB (sf)' from 'BBB+ (sf)' our rating on this class of notes.

We have affirmed our ratings on TDA Ibercaja 2's class B, C, and D notes at 'BB+ (sf)', 'BB (sf)', and 'B+ (sf)', respectively, because the available credit enhancement is commensurate with our currently assigned ratings for these classes of notes.

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 RMBS criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Sept. 18, 2014). We base these assumptions on our expectation of modest economic growth, continuing high unemployment, and further falls in house prices for the remainder of 2014, which will then level off in 2015.

On the back of the weak macroeconomic conditions, we don't expect the performance of the transactions in our Spanish RMBS index to significantly improve in 2014.

We expect severe arrears in the two transactions to remain at their current levels, as there are a number of downside risks. These include, weak economic growth, high unemployment, and fiscal tightening. On the positive side, we expect interest rates to remain low for the foreseeable future.

TDA Ibercaja 1 and TDA Ibercaja 2 are Spanish RMBS transactions, which securitize portfolios of first-ranking mortgage loans granted to Spanish residents. The transactions closed in November 2003 and October 2005, respectively.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties, and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at http://standardandpoorsdisclosure-17g7.com.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- Outlook Assumptions For The Spanish Residential Mortgage Market, Sept. 18, 2014
- Standard & Poor's Ratings Definitions, Sept. 22, 2014
- Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under

Criteria Observation, Sept. 18, 2014
- Credit Conditions: Europe Decelerates (Again) Amid Rising Geopolitical Risks, Sept. 16, 2014
- Low Interest Rates Are Underpinning Europe's House Price Recovery, July 28, 2014
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014
- Spanish RMBS Index Report Q1 2014: Collateral Performance Continues To Deteriorate Despite Signs Of Economic Recovery, June 6, 2014
- Various Rating Actions Taken In Spanish RMBS Transactions TDA Ibercaja 1, 4, And 5 Following Review, July 11, 2013
- Ratings Lowered On Spanish RMBS Transaction TDA Ibercaja 2's Class A, B, C, And D Notes Following Review, July 3, 2013

RATINGS LIST

Class	Rating	
	To	From
TDA Ibercaja 1 Fondo de Titulizacion de Activos		
€600 Million Mortgage-Backed Floating-Rate Notes		
Ratings Lowered		
A	A+ (sf)	AA- (sf)
D	B (sf)	BB (sf)
Ratings Affirmed		
B	BBB (sf)	
C	BB+ (sf)	
TDA Ibercaja 2 Fondo de Titulizacion de Activos		
€904.5 Million Mortgage-Backed Floating-Rate Notes:		
Rating Lowered		
A	BBB (sf)	BBB+ (sf)
Ratings Affirmed		
B	BB+ (sf)	
C	BB (sf)	
D	B+ (sf)	

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