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Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE**

### **TDA IBERCAJA 5, 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 22 de octubre de 2020, donde se llevan a cabo las siguientes actuaciones:

- Bono A2, subida a **AA- (sf)** desde **A+ (sf)**.
- Bono B, subida a **A- (sf)** desde **BBB- (sf)**.
- Bono C, subida a **BBB (sf)** desde **BB+ (sf)**.
- Bono D, subida a **BB+ (sf)** desde **BB- (sf)**.
- Bono E, afirmado como **D (sf)**

En Madrid, a 22 de octubre de 2020

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Consejero Delegado

# TDA Ibercaja 5 Ratings Raised On Four Classes, One Affirmed Following Review

October 22, 2020

## Overview

- TDA Ibercaja 5 is a Spanish RMBS transaction that securitizes a pool of prime residential mortgage loans. It closed in May 2007.
- Following our review of TDA Ibercaja 5, we have raised our ratings on the class A2, B, C, and D notes.
- At the same time, we have affirmed our rating on the class E notes.

MADRID (S&P Global Ratings) Oct. 22, 2020--S&P Global Ratings today raised its credit ratings on TDA Ibercaja 5' class A2, B, C, and D notes to 'AA- (sf)', 'A- (sf)', 'BBB (sf)', and 'BB+ (sf)', from 'A+ (sf)', 'BBB- (sf)', 'BB+ (sf)', and 'BB- (sf)', respectively. At the same time, we have affirmed our 'D (sf)' rating on the class E notes.

Today's rating actions follow our full analysis of the most recent information that we have received and reflect the transaction's current structural features. Our review reflects the application of our relevant criteria (see "Related Criteria").

Our analysis also considers the transaction's sensitivity to the potential repercussions of the coronavirus outbreak. Of the pool, 1.2% has been granted payment holidays so far under the Spanish legal and sectorial moratorium schemes. In our analysis, we considered what could happen should these payment holidays become arrears in the future and the liquidity risk they could present. We also accounted for the notes' sensitivity to a 12-month increase in recovery timing from our standard assumption of 42 months.

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 transaction's sensitivity as low. Therefore, the highest rating that we can assign to the tranches in this transaction is six notches above the unsolicited sovereign rating on Spain, or 'AAA (sf)'.

On May 1, 2020, we revised our mortgage market outlook for Spain due to the updated macroeconomic expectations (see "Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts"). We therefore increased our base foreclosure frequencies in our analysis at the 'B' to 'AA+' ratings.

Since our previous rating action, our weighted-average foreclosure frequency assumptions have

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## TDA Ibercaja 5 Ratings Raised On Four Classes, One Affirmed Following Review

increased due to the slight increase in arrears and the change in the base foreclosure frequencies. However, this is partially offset by a decrease in the weighted-average loss severity assumptions, in turn due to the decreased current loan-to-value ratio but higher market value declines.

Table 1

### Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	18.49	21.68	4.34
AA	12.98	17.04	2.45
A	9.96	10.72	1.17
BBB	7.61	7.66	0.64
BB	5.22	5.79	0.34
B	3.46	4.31	0.17

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

Loan-level arrears of 90 days or more currently stand at 0.4%, and they have started stabilizing from their peak in April 2020, of 0.59%. Overall delinquencies remain well below our Spanish RMBS index (see "Spanish RMBS Index Report Q2 2020," published Sept. 8, ,2020). Cumulative defaults, defined as loans in arrears for a period equal to or greater than 18 months, represent 2.10% of the closing pool balance. The interest deferral trigger for class D is not at risk of being breached because it is defined at 3.95%, and we do not expect that this level will be reached in the near term.

We have also applied our counterparty criteria (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019).

The servicer, Ibercaja Banco S.A., has a standardized, integrated, and centralized servicing platform. It is a servicer for many Spanish RMBS transactions, and Ibercaja Banco transactions' historical performance has outperformed our Spanish RMBS index. Currently our rating on the class D notes is linked to our long-term issuer credit rating (ICR) on the servicer because in our cash flow analysis we exclude the application of a commingling loss at rating levels at and below the ICR on the servicer.

Our reassessment of the commingling risk considers that there is no incentive for borrowers to prepay if the servicer were to default and after being notified of its insolvency. We consider that this notification period will last one month. Therefore, we assume a 0% constant prepayment rate (CPR). In addition, we size the commingling loss amount based on the average monthly exposure of collections despite borrowers' payment concentrations. We believe it is unlikely that the servicer would go bankrupt at the same time a peak in collections occurs. As a result, we sized a total loss exposure of one month of total collections with no CPR.

The swap counterparty is Banco Santander S.A. The remedial actions defined in the swap agreement are in line with option one of our previous counterparty criteria. The collateral framework under our new criteria is strong. Based on the combination of the replacement commitment and the collateral posting framework, the maximum supported rating in this transaction is 'AAA (sf)'.

The available credit enhancement for all classes of notes has increased since our previous reviews due to the nonamortizing reserve fund. The transaction is currently paying pro rata.

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Table 2

### Available Credit Enhancement

Class	Current review (%)	Previous review (%)
A	10.64	10.50
B	4.61	4.54
C	2.60	2.54
D	1.61	1.55
E	N/A	N/A

Following the application of our criteria, we have determined that our assigned ratings on all 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, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

Our credit and cash flow results indicate that the credit enhancement available for class A2 is commensurate with our 'AA-' rating. We have therefore raised to 'AA- (sf)' from 'A+ (sf)' our rating on the class A2 notes. Class A1 was fully amortized on the March 2020 interest payment date.

We have raised to 'A- (sf)' and 'BBB (sf)' from 'BBB- (sf)' and 'BB+ (sf)' our ratings on the class B and C notes, respectively. These notes could withstand stresses at higher ratings under our credit and cash flow analysis due to our reassessment of commingling risk, sized now as a loss of one month of total collections with no CPR, and increased credit enhancement. However, we have limited our upgrade based on their overall credit enhancement and position in the waterfall, the current deteriorating macroeconomic environment, and the risk that payment holidays could become arrears in the future. Our rating on the class C notes is no longer linked to our long-term ICR on the servicer, Ibercaja Banco (BB+/Negative/B), because we apply commingling loss above the ICR on Ibercaja.

Our credit and cash flow results indicate that the available credit enhancement for the class D notes is commensurate with our 'BB+ (sf)' rating, excluding the application of a commingling loss. Consequently, our rating on this class of notes is linked to our long-term ICR on the servicer. We have therefore raised our rating on the class D notes to 'BB+ (sf)' from 'BB- (sf)'.

The class E notes paid all unpaid interest due on the February 2019 interest payment date. Since then, interest on this tranche has been paid timely. However, this tranche is not collateralized, and it is paid after amortization of the reserve fund. It missed a significant amount of interest payments in the past, and it is still not certain that future interest payments will not be missed. Given its current credit enhancement and its position in the waterfall, we have affirmed our 'D (sf)' rating on this class of notes.

S&P Global Ratings acknowledges a high degree of uncertainty about the evolution of the coronavirus pandemic. The current consensus among health experts is that COVID-19 will remain a threat until a vaccine or effective treatment becomes widely available, which could be around mid-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](http://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
- Criteria | Structured Finance | General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

## **Related Research**

- Spain Outlook Revised To Negative From Stable On Mounting Fiscal and Structural Challenges; Affirmed At 'A/A-1', Sept. 18, 2020
- Spanish RMBS Index Report Q2 2020, Sept. 8, ,2020
- S&P Global Ratings Definitions, Aug. 8, 2020
- Banking Industry Country Risk Assessment: Spain, June 18, 2020
- Government Job Support Will Stem European Housing Market Price Falls, May 15, 2020
- Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts, 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

**TDA Ibercaja 5 Ratings Raised On Four Classes, One Affirmed Following Review**

Five Macroeconomic Factors, Dec. 16, 2016

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