

**Otra Información Relevante de MBS BANCAJA 4 FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **MBS BANCAJA 4 FONDO DE TITULIZACIÓN DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **Fitch Ratings (“Fitch”)**, con fecha 23 de diciembre de 2021, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie A2: AAAsf**
  - **Serie B: A+sf**
  - **Serie E: CCCsf**

Asimismo, Fitch ha elevado las calificaciones asignadas a las restantes Series de Bonos:

- **Serie C: A+sf** (anterior, **A-sf**)
- **Serie D: A+sf** (anterior, **BBBsf**)

Se adjunta la comunicación emitida por Fitch.









Madrid, 3 de enero de 2022.

23 DEC 2021

## Fitch Upgrades 7 Tranches of 4 Spanish RMBS



Fitch Ratings - Madrid - 23 Dec 2021: Fitch Ratings has upgraded seven tranches of four Spanish RMBS transactions, and affirmed the others. Three tranches have been removed from Rating Watch Positive (RWP). A full list of rating actions is below.

### Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
IM Caja Laboral 2, FTA				
• Class A LT ES0347552004	AAAsf 	Affirmed		AAAsf 
• Class B LT ES0347552012	A+sf 	Affirmed		A+sf 
• Class C LT ES0347552020	BB-sf 	Upgrade		Bsf 
IM Caja Laboral 1, FTA				
• Class LT	AAAsf 	Affirmed		AAAsf 

ENTITY/DEBT	RATING		RECOVERY	PRIOR
A ES0347565006				
• Class B LT ES0347565014	AAAsf	Upgrade		AA+sf
• Class C LT ES0347565022	AA+sf	Upgrade		A+sf
• Class D LT ES0347565030	Asf	Upgrade		A-sf
• Class E (RF) LT ES0347565048	CCCsf	Affirmed		CCCsf
MBS Bancaja 3, FTA				
• Series A2 LT ES0361796016	AAAsf	Affirmed		AAAsf
• Series B LT	AA+sf	Affirmed		AA+sf

ENTITY/DEBT	RATING	RECOVERY	PRIOR
ES0361796024			
• Series C LT ES0361796032	AA-sf ●	Affirmed	AA-sf ●
• Series D LT ES0361796040	A+sf ●	Upgrade	A-sf ◆
• Series E LT ES0361796057	CCCsf	Affirmed	CCCsf
MBS Bancaja 4, FTA			
• Class A2 LT ES0361797014	AAAsf ●	Affirmed	AAAsf ●
• Class B LT ES0361797030	A+sf ●	Affirmed	A+sf ●
• Class C LT ES0361797048	A+sf ●	Upgrade	A-sf ⊕

ENTITY/DEBT	RATING	RECOVERY	PRIOR
<ul style="list-style-type: none"> <li>Class D LT ES0361797055</li> </ul>	A+sf 	Upgrade	BBBsf 
<ul style="list-style-type: none"> <li>Class E LT ES0361797063</li> </ul>	CCCsf	Affirmed	CCCsf

### RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

### Transaction Summary

The transactions comprise fully amortising Spanish residential mortgages serviced by Caja Laboral Popular Cooperativa de Credito (BBB+/Stable/F2) for IM Caja Laboral 1 and 2, and by CaixaBank, S.A. (BBB+/Stable/F2) for MBS Bancaja 3 and 4.

### KEY RATING DRIVERS

**Performance Outlook and Removal of Additional Stresses:** The rating actions reflect the broadly stable asset performance outlook we have for the securitised portfolios driven by the low share of loans in arrears over 90 days (less than 0.5% for IM Caja Laboral 1 and 2 and less than 1.5% for MBS Bancaja 3 and 4 of the current portfolio balance as of the latest reporting dates) and the improved macro-economic outlook for Spain, as described in Fitch's latest Global Economic Outlook dated December 2021.

The rating analysis reflects the removal of the additional stresses in relation to the coronavirus outbreak and legal developments in Catalonia as announced on 22 July 2021 (see "Fitch Retires EMEA RMBS Coronavirus Additional Stress Scenario Analysis, Except UK Non-Conforming", "Fitch Retires Additional Stress Scenario Analysis for Spanish RMBS Linked to Catalonia Decree Law", and "Fitch Places or Maintains 121 EMEA RMBS Ratings on RWP on Additional Stress Scenario Retirement" at [www.fitchratings.com](http://www.fitchratings.com)).

**Credit Enhancement Trends:** The upgrades and affirmations reflect Fitch's view that the notes are

sufficiently protected by credit enhancement (CE) to absorb the projected losses commensurate with higher and prevailing rating scenarios. For IM Caja Laboral 1 and 2, we expect CE ratios to remain broadly stable due to the pro-rata amortisation of the notes currently in place for IM Caja Laboral 2 and soon to occur for IM Caja Laboral 1.

MBS Bancaja 3 and 4 transactions are currently amortising sequentially and building CE for the notes. However, pro-rata amortisation is very likely to occur on the next payment dates that apply a reverse sequential amortisation of the notes and a reserve fund reduction, which will produce CE reduction down to a percentage that is around twice the initial CE protection. The rating analysis has taken into account the current and projected CE ratios, commensurate with the rating actions.

For all the transactions, the notes will amortise strictly sequentially when the outstanding portfolio balance represents less than 10% of their original amount (currently 12.5% for Bancaja 3, 14.9% for Laboral 1, 15.4% for Bancaja 4 and 43.5% for Laboral 2).

**Risky Portfolio Attributes:** For MBS Bancaja 3 and 4, the portfolios are materially exposed to loans for the acquisition of second homes (around 35% and 80% for MBS Bancaja 3 and 4 portfolio balances as of latest reporting dates), which are considered riskier than loans for the purchase of first residences, and are therefore subject to a foreclosure frequency (FF) adjustment of 150%, in line with Fitch's European RMBS rating criteria. Moreover, the portfolios are exposed to loans granted to self-employed borrowers (more than 20%) and loans originated via third-party brokers (in range of 13% and 18%), features that carry a FF adjustment of 170% and 150%, respectively.

To address the regional concentration risk of the portfolios (mainly the Basque region for IM Caja Laboral 1 and 2, and Valencia for MBS Bancaja 3 and 4), we apply higher rating multiples to the base FF assumption to the portion of the portfolios that exceed two and a half times the population within these regions relative to the national count.

**Ratings Capped by Counterparty Risks:** MBS Bancaja 3 and 4 class D notes' ratings are capped at the SPV transaction account bank provider's Issuer Default Rating (IDR; Citibank Europe Plc, A+/Stable/F1) as the transactions' cash reserves held at this entity represent the main source of structural CE for these tranches. The rating cap reflects the excessive counterparty dependence on the SPV transaction account banks holding the cash reserves, as the sudden loss of these amounts could imply a downgrade of 10 or more notches of the notes in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

**Payment Interruption Risk Mitigated:** Fitch views the transactions as sufficiently protected against payment interruption risk. In a scenario of servicer disruption, liquidity sources provide sufficient buffer to mitigate liquidity stresses on the notes covering senior fees, net swap payments (if any) and interest payment obligations on the senior securitisation notes during at least three months, a period we view as sufficient to implement alternative servicing arrangements.

## **RATING SENSITIVITIES**

**Factors that could, individually or collectively, lead to negative rating action/**

## **downgrade:**

- For the notes that are rated at 'AAAsf', a downgrade of Spain's Long-Term IDR that could decrease the maximum achievable rating for Spanish structured finance transactions.
- For MBS Bancaja 3 and MBS Bancaja 4 class D notes, a downgrade of the SPV account bank's IDR could trigger a downgrade of the notes. This is because the notes' ratings are capped at the bank's rating given the excessive counterparty risk exposure.
- Long-term asset performance deterioration such as increased delinquencies or larger defaults, which could be driven by changes to macroeconomic conditions, interest rate increases or borrower behaviour.

## **Factors that could, individually or collectively, lead to positive rating action/upgrade:**

- The notes that are rated 'AAAsf' are at the highest level on Fitch's scale and cannot be upgraded.
- For the mezzanine and junior notes, CE increases as the transactions deleverage sufficient to fully compensate for the credit losses and cash flow stresses that are commensurate with higher rating scenarios.
- For MBS Bancaja 3 and MBS Bancaja 4 class D notes, an upgrade of the SPV account bank's IDR could trigger an upgrade of the notes. This is because the notes' ratings are capped at the bank's rating given the excessive counterparty risk exposure.

## **Best/Worst Case Rating Scenario**

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

## **USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10**

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

## **DATA ADEQUACY**

For IM Caja Laboral 1 and 2: Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. Fitch has not reviewed the results of any third- party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent

performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable. Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

For MBS Bancaja 3 and 4: Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Because the latest loan-by-loan portfolio data sourced from the European Data Warehouse did not include information about property occupancy status, Fitch assumed a 34.6% and 80.3% of the portfolio for MBS Bancaja 3 and 4 respectively to be linked to second homes consistent with the exposure reported as of transactions closing dates. This assumption is considered adequate as the granular portfolios comprise fully amortising loans so the exposure to second homes is expected to remain stable over time.

Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable. Overall and together with the assumptions referred to above, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

Because the latest loan-by-loan portfolio data sourced from the European Data Warehouse did not include information about property occupancy status, Fitch assumed a 34.6% and 80.3% of the portfolio for MBS Bancaja 3 and 4 respectively to be linked to second homes consistent with the exposure reported as of transactions closing dates. This assumption is considered adequate as the granular portfolios comprise fully amortising loans so the exposure to second homes is expected to remain stable over time.

## **PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS**

The ratings of MBS Bancaja 3 and 4 class D notes are credit-linked to the transaction account bank provider's Long-Term IDR, reflecting the excessive counterparty exposure as per Fitch Structured Finance and Covered Bonds Counterparty Rating Criteria.

## **ESG Considerations**

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to



their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg)

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## **Applicable Criteria**

[European RMBS Rating Criteria \(pub.17 Dec 2021\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub.26 Oct 2021\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub.04 Nov 2021\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub.04 Nov 2021\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub.28 Oct 2021\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub.20 Sep 2021\)](#)

## **Applicable Models**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing

description of model(s).

Multi-Asset Cash Flow Model, v2.11.0 (1)

ResiGlobal Model: Europe, v1.7.3 (1)

## Additional Disclosures

### Solicitation Status

### Endorsement Status

IM Caja Laboral 1, FTA      EU Issued, UK Endorsed

IM Caja Laboral 2, FTA      EU Issued, UK Endorsed

MBS Bancaja 3, FTA      EU Issued, UK Endorsed

MBS Bancaja 4, FTA      EU Issued, UK Endorsed

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