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Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

TDA CAJAMAR 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 12 de julio de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A3: desde **AA- (sf)**; **perspectiva de revisión positiva a AA (sf)**.
- Bono B: afirmado como **AA- (sf)**; **eliminada la perspectiva de revisión positiva**.
- Bono C: afirmado como **A+ (sf)**; **eliminada la perspectiva de revisión positiva**.
- Bono D: afirmado como **BBB+ (sf)**; **eliminada la perspectiva de revisión positiva**.

En Madrid, a 12 de julio de 2018

Ramón Pérez Hernández
Consejero Delegado

Various Rating Actions Taken In Spanish RMBS Transaction TDA Cajamar 2 FTA Following Review

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OVERVIEW

- On March 23, 2018, we raised our unsolicited long-term sovereign rating on Spain to 'A-' from 'BBB+'.
- On April 17, 2018, we revised our outlook assumptions for the Spanish residential mortgage market to benign to reflect the improved Spanish residential mortgage and real estate market, and lowered our projected losses at the 'B' rating level for the archetypal Spanish pool.
- On April 24, 2018, we placed on CreditWatch positive our ratings on TDA Cajamar 2's class A3, B, C, and D notes, since we needed to conduct a full analysis to determine the impact of these recent events.
- Following our review of this transaction under our relevant criteria, we have taken various rating actions and resolved the CreditWatch placements.
- TDA Cajamar 2 is a Spanish RMBS transaction, which closed in May 2005.

MADRID (S&P Global Ratings) July 12, 2018--S&P Global Ratings today raised its credit rating on TDA Cajamar 2, Fondo de Titulizacion de Activos' class A3 notes and removed it from CreditWatch positive. In addition, we affirmed and removed from CreditWatch positive our credit ratings on the class B, C, and D notes (see list below).

Today's rating actions follow the application of our relevant criteria and our

full analysis of the most recent transaction information that we received, and reflect the transaction's current structural features (see "Related Criteria"). We also considered our updated outlook assumptions for the Spanish residential mortgage market (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on April 17, 2018).

Our structured finance ratings above the sovereign (RAS) criteria classify the sensitivity of this transaction as moderate (see "Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). Therefore, after our March 23, 2018, upgrade of Spain to 'A-' from 'BBB+', the highest rating that we can assign to the senior-most tranche in this transaction is six notches above the sovereign rating on Spain, or 'AAA (sf)', if certain conditions are met (see "Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive"). For all the other tranches, the highest rating that we can assign is four notches above the sovereign rating.

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 "Criteria - Structured Finance - General: 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, we revised our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level to 0.9% from 1.6%, in line with table 87 of our European residential loans criteria, by lowering our foreclosure frequency assumption to 2.00% from 3.33% for the archetypal pool at the 'B' rating level (see "Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on April 17, 2018).

After applying our European residential loans criteria to this transaction, the overall effect in our credit analysis results in an increase in the required credit coverage at the 'AAA' rating level compared with our previous review. This is driven by a higher level of arrears and our updated overvaluation assumption, and a decrease for the rest of the rating scale mainly caused by the positive impact of our revised foreclosure frequency assumptions.

Rating level	WAFF (%)	WALS (%)
AAA	11.65	6.89
AA	8.12	4.06
A	6.08	2.00
BBB	4.53	2.00
BB	3.04	2.00
B	1.86	2.00

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

The class A3 notes' credit enhancement (considering current loans and loans up to six months in arrears) has increased to 11.50% from 11.23% at our previous full review in April 2017, owing to the non-amortization of the reserve fund. Similarly, the class B notes' credit enhancement has increased to 7.59% from 7.32%. The class C notes' credit enhancement has increased to 6.58% from 6.32%, and the class D to 3.47% from 3.21%. Although arrears are slightly higher now (2.39% compared with 2.25% in our previous review) we consider that the transaction's performance is stable. The reserve fund is fully funded.

Following the application of our criteria, we determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating that the class of notes can attain under our European residential loans criteria, (ii) the rating as capped by our RAS criteria, or (iii) the rating as capped by our counterparty criteria.

The transaction features an interest rate swap that neutralizes the mismatch between the reference index of the assets and the notes. In addition, it also considers compensation payments to the swap counterparty for the loans that initially had floor clauses (a clause incorporated by banks in mortgages which sets a minimum interest rate to be paid monthly, irrespective of the market interest). At the end of 2016, the Spanish high court ruled that floor clauses were illegal. Since then the issuer payments to the swap counterparty associated with floor interest rates under the swap agreement, have relied heavily on the support provided by Cajamar Caja Rural S.C.C., originator and servicer of the transaction.

Additionally, the interest rate swap transaction documents are not in line with our current or previous counterparty criteria. Therefore, our current counterparty criteria cap our ratings on all classes of notes in this transaction at our 'A-', the long-term issuer credit rating on the swap counterparty, JPMorgan Chase & Co., unless higher ratings are possible without giving benefit to the swap agreement.

Under our credit and cash flow analysis, including our RAS criteria, the whole capital structure could withstand our stresses at higher rating levels than those we assigned today. However, in our opinion, additional factors should be taken into account, such as the support received from the servicer in order to make the floor interest rate swap related payments or the slight increase in credit enhancement for each tranche. Taking all factors into consideration, we have raised the rating on the class A3 notes to 'AA (sf)' from 'AA- (sf)' and removed it from CreditWatch positive. At the same time we have affirmed our ratings on the class B, C, and D notes and removed them from CreditWatch positive.

TDA Cajamar 2 is a Spanish residential mortgage-backed securities (RMBS) transaction, which closed in May 2005 and securitizes mainly first-ranking mortgage loans. Caja Rural Intermediterranea, Sociedad Cooperativa de Credito originated the pool, which comprises loans granted to prime borrowers secured on owner-occupied residential properties in

Spain.

RELATED CRITERIA

- 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: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- 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
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 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: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- Spanish RMBS Index Report Q1 2018, May 24, 2018
- Ratings On 213 Tranches In 82 Spanish RMBS Transactions Placed On CreditWatch Positive, April 24, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans, April 17, 2018
- Reduced Funding Risks Lead To Upgrades At Several Spanish Banks, April 6, 2018
- Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive, March 23, 2018
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Various Rating Actions Taken In Spanish RMBS Transaction TDA Cajamar 2 Following Review, April 24, 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

RATINGS LIST

Various Rating Actions Taken In Spanish RMBS Transaction TDA Cajamar 2 FTA Following Review

Class	Rating	
	To	From
TDA Cajamar 2, Fondo de Titulizacion de Activos €1.008 Billion Mortgage-Backed Floating-Rate Notes		
Rating Raised And Removed From CreditWatch Positive		

A3	AA (sf)	AA- (sf)/Watch Pos
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Ratings Affirmed And Removed From CreditWatch Positive

B	AA- (sf)	AA- (sf)/Watch Pos
C	A+ (sf)	A+ (sf)/Watch Pos
D	BBB+ (sf)	BBB+ (sf)/Watch Pos

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