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Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN 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 la siguiente información relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard and Poor´s Global Ratings, con fecha 26 de abril de 2021, donde se llevan a cabo las siguientes actuaciones:

- Bono A3, subida a **AAA (sf)** desde **AA (sf).**
- Bono B, subida a **AA+ (sf)** desde **AA- (sf).**
- Bono C, subida a **AA (sf)** desde **A+ (sf).**
- Bono D, subida a **A (sf)** desde **BBB+ (sf).**

En Madrid, a 27 de abril de 2021

Ramón Pérez Hernández
Consejero Delegado

TDA Cajamar 2 Spanish RMBS Ratings Raised Following Criteria Revision

April 26, 2021

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Overview

- We have reviewed TDA Cajamar 2, Fondo de Titulizacion de Activos following the implementation of our revised Spanish RMBS criteria.
- We have raised our ratings on the class A3, B, C, and D notes.
- TDA Cajamar 2 is a Spanish RMBS transaction that securitizes a pool of prime residential mortgage loans. It closed in May 2005.

PARIS (S&P Global Ratings) April 26, 2021--S&P Global Ratings today raised its credit ratings on TDA Cajamar 2, Fondo de Titulizacion de Activos' class A3, B, C, and D notes to 'AAA (sf)', 'AA+ (sf)', 'AA (sf)', and 'A (sf)', respectively, from 'AA (sf)', 'AA- (sf)', 'A+ (sf)', and 'BBB+ (sf)'.

Today's upgrades follow the implementation of our revised criteria and assumptions for assessing pools of Spanish residential loans (see "Related Criteria"). They also reflect our full analysis of the most recent information that we have received and the transaction's current structural features.

Upon revising our Spanish RMBS criteria, we placed our ratings on the class A3, B, C, and D notes under criteria observation. Following our review of the transaction's performance and the application of our updated criteria for rating Spanish RMBS transactions, the ratings are no longer under criteria observation.

Our weighted-average foreclosure frequency (WAFF) assumptions have decreased due to the calculation of the effective loan-to-value (LTV) ratio, which is based on 80% original LTV (OLTV) and 20% current LTV (CLTV). Under our previous criteria, we used only the OLTV. Our WAFF assumptions also declined because of the transaction's decrease in arrears. Our weighted-average loss severity (WALS) assumptions have decreased, due to the lower CLTV and lower market value declines. The reduction in our WALS is partially offset by the increase in our foreclosure cost assumptions.

Table 1

Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	7.10	2.00	0.14
AA	4.86	2.00	0.10
A	3.74	2.00	0.07

Table 1

Credit Analysis Results (cont.)

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
BBB	2.85	2.00	0.06
BB	1.92	2.00	0.04
B	1.27	2.00	0.03

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

Loan-level arrears have been stable over the past four years and now stand at 2.2%. Overall delinquencies remain well below our Spanish RMBS index (see "Related Research").

Cumulative defaults, defined as loans in arrears for a period equal to or greater than 12 months, represent 1.98% of the closing pool balance. The first interest deferral trigger is for the class D notes, although at 3.5% it is not at risk of being breached, and we do not expect that this level will be reached in the near term.

Our analysis also considers the transaction's sensitivity to the potential repercussions of the coronavirus outbreak. As of the pool cut-off date (November 2020), no loans are on payment holidays under the Spanish moratorium schemes.

Our operational, sovereign, and legal risk analyses remain unchanged since our previous review. Therefore, the ratings assigned are not capped by any of these criteria.

The swap counterparty is JPMorgan Chase & Co. Considering the remedial actions defined in the swap counterparty agreement, which are not in line with our current counterparty criteria, the maximum rating the notes can achieve in this transaction is 'A- (sf)', which is the issuer credit rating (ICR) on the swap counterparty, unless we delink our ratings on this transaction from the counterparty. The results of our cash flows without the benefit of the hedge are above the ICR on the swap counterparty, that is, 'A- (sf)'. Therefore, we have delinked our ratings on the notes from the swap counterparty ICR.

The transaction features a basis swap agreement that includes cap and floor clauses. However, the floor clauses were first ruled illegal by a Spanish court in 2013, and the High Court confirmed its illegality in 2016. Nonetheless, the transaction currently receives support from the originator and servicer, Cajamar Caja Rural, Sociedad Cooperativa de Crédito, that compensates the special purpose vehicle (SPV) for payments related to floors clauses made to the swap counterparty. We have taken this into account in our analysis. As part of our surveillance, we will closely monitor any new development around the swap and the floor clauses and its potential implications in the transaction.

The available credit enhancement for all classes of notes has increased since our previous review due to the notes amortizing sequentially and the nonamortizing reserve fund, which is at its target (€7,500,000) and has remained stable over the past few years.

We have raised to 'AAA (sf)', 'AA+ (sf)', 'AA (sf)', and 'A (sf)' from 'AA (sf)', 'AA- (sf), 'A+ (sf)', and 'BBB+ (sf)' our ratings on the class A3, B, C, and D notes, respectively. Our analysis indicates that the credit enhancement available for the class A3 notes is commensurate with a 'AAA' rating. Under our cash flow analysis, the class B, C, and D notes could withstand stresses at a higher rating than the current ratings assigned. However, we have limited our upgrades based on cashflow outputs from additional sensitivities we ran, the notes' overall credit enhancement, their position in the waterfall, and the deterioration of the macroeconomic environment.

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- 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 | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- Spain 'A/A-1' Ratings Affirmed; Outlook Remains Negative On Fiscal And Structural Challenges, March 19, 2021
- European RMBS Outlook 2021, Jan. 25, 2021
- Spanish Banks Need To Bolster Provisions, Cut Costs, And Preserve Capital In 2021, Jan. 25, 2021
- Certain Italian, Portuguese, And Spanish RMBS Ratings Placed Under Criteria Observation Due To Criteria Update, Jan. 8, 2021
- Global Criteria For Assessing Pools Of Residential Loans Updated To Include Seven European

Jurisdictions, Jan. 8, 2021

- S&P Global Ratings Definitions, Jan. 5, 2021
- European RMBS Index Report Q3 2020, Dec. 11, 2020
- Spanish RMBS Index Report Q3 2020, Dec. 11, 2020
- Banking Industry Country Risk Assessment: Spain, June 18, 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 Five Macroeconomic Factors, Dec. 16, 2016