

Otra Información Relevante de**BANCAJA 7, Fondo de Titulización de Activos**

En virtud de lo establecido en el Folleto Informativo de **BANCAJA 7, 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 **Standard & Poor’s Global Ratings (“S&P”)**, con fecha 30 de abril de 2021, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:
 - **Serie B: AA+ (sf)** (anterior **AA- (sf)**)
 - **Serie C: A+ (sf)** (anterior **BBB- (sf)**)
 - **Serie D: BB (sf)** (anterior **B (sf)**)

Asimismo, S&P ha confirmado las calificaciones asignadas a las siguientes Serie de Bonos:

- **Serie A2: AAA (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 21 de mayo de 2021.

Bancaja 7 Spanish RMBS Ratings Raised On Three Classes And One Affirmed Following Criteria Revision

April 30, 2021

Overview

- We have reviewed Bancaja 7 following the implementation of our revised Spanish RMBS criteria. Following this review, we raised our ratings on the class B, C, and D notes and affirmed our rating on the class A notes.
- Bancaja 7 is a Spanish RMBS transaction, which closed in July 2004 and securitizes first-ranking mortgage loans granted to Spanish residents, mainly located in Valencia.

MADRID (S&P Global Ratings) April 30, 2021--S&P Global Ratings today raised its credit ratings on Bancaja 7 Fondo de Titulizacion de Activos' class B, C, and D notes to 'AA+ (sf)', 'A+ (sf)', and 'BB (sf)', from 'AA- (sf)', 'BBB- (sf)', and 'B (sf)', respectively.

Today's rating actions 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 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 primarily 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. In addition, 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.

Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	8.88	2.00	0.18

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Credit Analysis Results (cont.)

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AA	6.56	2.00	0.13
A	5.39	2.00	0.11
BBB	4.47	2.00	0.09
BB	3.49	2.00	0.07
B	2.81	2.00	0.06

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

Loan-level arrears currently stand at 3.6%, with a recent increase in the last quarters. Overall delinquencies remain below our Spanish RMBS index (see "Related Research"). We have considered the recent deterioration in performance in our cash flow analysis by running several sensitivities to an increased level of defaults.

Cumulative defaults are close to 1.5% of the original pool balance. No interest deferral trigger has been breached, and we do not expect any to be breached in the short term. The transaction is currently paying sequentially because the outstanding balance of loans in 90+ arrears is above 1.50%. We expect the transaction to be in sequential amortization until it is fully redeemed given the low pool factor.

The reserve fund is at its floor value (€6.65 million) and will no longer amortize, providing further credit enhancement as the notes continue to amortize.

Our operational, rating above the sovereign, and legal risk analyses remain unchanged since our last review. Therefore, the ratings assigned are not capped by any of these criteria. Caixabank S.A. became the servicer in the transaction after the merger with Bankia S.A.

Credit Suisse International provides the interest rate swap contract. The swap agreement is not in line with our most recent counterparty criteria. The notes achieve the same ratings when giving no benefit to the swap contract. Therefore, we have de-linked class A, B, C, and D from our resolution counterparty rating on Credit Suisse International. The class A, B, and C notes' credit enhancement has increased to 13.1%, 8.4%, 5.5%, and 4.10% due to the notes' amortization.

We have upgraded classes B, C, and D to 'AA+ (sf)', 'A+ (sf)', and 'BB (sf)', from 'AA- (sf)', 'BBB- (sf)', and 'B (sf)', respectively.

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 also considered their overall credit enhancement and position in the waterfall, deterioration in the macroeconomic environment, and the recent deterioration in performance observed over the last quarters.

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 | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- 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
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- European RMBS Outlook 2021, Jan. 25, 2021
- Spanish Banks Need To Bolster Provisions, Cut Costs, And Preserve Capital In 2021, Jan. 25, 2021
- S&P Global Ratings Definitions, Jan. 5, 2021
- Spanish RMBS Index Report Q3 2020, Dec. 11, 2020
- Spain Outlook Revised To Negative From Stable On Mounting Fiscal and Structural Challenges; Affirmed At 'A/A-1', Sept. 18, 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

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