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Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

EMPRESAS HIPOTECARIO TDA CAM 3, 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 el siguiente Hecho Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard & Poor´s con fecha 28 de julio de 2016, donde se llevan a cabo las siguientes actuaciones:

- Serie A2, subida a **AA- (sf)** desde **BBB+ (sf)**.
- Serie B, afirmado como **B- (sf)**.
- Serie C, afirmado como **CCC- (sf)**.

En Madrid a 28 de julio de 2016

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Consejero Delegado

Various Rating Actions In Spanish SME CLO Transaction Empresas Hipotecario TDA CAM 3 Following Review

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OVERVIEW

- We have reviewed Empresas Hipotecario TDA CAM 3's performance and applied our relevant criteria.
- Following our review, we have raised to 'AA- (sf)' from 'BBB+ (sf)' our rating on the class A2 notes.
- At the same time, we have affirmed our 'B- (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively.
- Empresas Hipotecario TDA CAM 3 is a cash flow CLO transaction backed by an amortizing portfolio of SME loans originated by BANCO CAM in Spain. It closed in July 2006.

LONDON (S&P Global Ratings) July 28, 2016--S&P Global Ratings today raised to 'AA- (sf)' from 'BBB+ (sf)' its credit rating on Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos' class A2 notes. At the same time, we have affirmed our 'B- (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively (see list below).

Empresas Hipotecario TDA CAM 3 is a single-jurisdiction cash flow collateralized loan obligation (CLO) transaction securitizing a portfolio of small and midsize enterprise (SME) loans that BANCO CAM S.A.U. originated in Spain. The transaction closed in July 2006.

CREDIT ANALYSIS

We have used our European SME CLO criteria to assess the portfolio's average credit quality (see "European SME CLO Methodology And Assumptions," published on Jan. 10, 2013). In our opinion, the credit quality of the portfolio is about 'ccc', based on the following factors:

- Our qualitative originator assessment on Banco de Sabadell S.A. (BB+/Stable/B) is moderate.
- The originator has observed an average annual default frequency of about 3% for the past three years.
- Spain's Banking Industry Country Risk Assessment (BICRA) is 5 (see "Banking Industry Country Risk Assessment: Spain," published on June 23, 2016).
- We received only limited information on the credit quality of the originator's entire loan book.

We used our 'ccc' average credit quality assessment of the portfolio to generate our 'AAA' scenario default rate (SDR) of 89%.

We have calculated the 'B' SDR, based primarily on our analysis of historical SME performance data and our projections of the transaction's future performance. We have reviewed the portfolio's historical default data, and assessed market developments, macroeconomic factors, changes in country risk, and the way these factors are likely to affect the loan portfolio's creditworthiness. As a result of this analysis, our 'B' SDR is 17.5%.

We interpolated the SDRs for rating levels between 'B' and 'AAA' in accordance with our European SME CLO criteria.

RECOVERY RATE ANALYSIS

At each liability rating level, we assumed a weighted-average recovery rate (WARR) by taking into consideration the asset type (secured/unsecured) and the country recovery grouping (see table 7 in "European SME CLO Methodology And Assumptions") and observed historical recoveries.

As a result of this analysis, our WARR assumption in a 'AAA' rating scenario was 24.6%. The recovery rates at more junior rating levels were higher (as outlined in our European SME CLO criteria).

CASH FLOW ANALYSIS

We used the portfolio balance that the servicer considered to be performing, the current weighted-average spread, and the weighted-average recovery rates that we considered to be appropriate. We subjected the capital structure to various cash flow stress scenarios, incorporating different default patterns and interest rate curves, to determine the rating level, based on the available credit enhancement for each class of notes under our European SME CLO criteria.

COUNTRY RISK

Our foreign currency long-term sovereign rating on the Kingdom of Spain is 'BBB+'.

In our opinion, the class A2 notes have sufficient credit enhancement to withstand the sovereign default stress test. Therefore, under our criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria), the class A2 notes can be rated above the sovereign.

Since, according to our RAS criteria, SMEs have a moderate sensitivity to country risk, the class A2 notes can be rated up to four notches above the rating on the sovereign. Taking into account the results of our credit and cash flow analysis and the application of our RAS criteria, we have raised to 'AA- (sf)' from 'BBB+ (sf)' our rating on the class A2 notes.

We have affirmed our 'B- (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively, as the available credit enhancement for these classes is commensurate with our currently assigned ratings.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions - October 09, 2014
- Criteria - Financial Institutions - Banks: Assessing Bank Branch Creditworthiness - October 14, 2013
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions - October 14, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions - June 25, 2013
- Legal Criteria: Asset Isolation And Special-Purpose Entity Criteria--Structured Finance - May 07, 2013
- Criteria - Structured Finance - CDOs: European SME CLO Methodology And Assumptions - January 10, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings - October 01, 2012

Related Research

- Economic Research: European Economic Snapshots, July 18, 2016
- Banco de Sabadell S.A., Jan. 27, 2016
- Various Rating Actions Taken In 22 Spanish SME CLO Transactions Following Spanish Sovereign Upgrade, Oct. 30, 2015
- 2015 EMEA Structured Credit Scenario And Sensitivity Analysis, Aug. 6, 2015
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014
- New Issue: Empresas Hipotecario TDA CAM 3, Fondo de Titulización de Activos, Oct. 2, 2006

RATINGS LIST

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos
EUR750 mil mortgage-backed floating-rate notes

Class	Identifier	Rating To	From
A2	ES0330876014	AA- (sf)	BBB+ (sf)
B	ES0330876022	B- (sf)	B- (sf)
C	ES0330876030	CCC- (sf)	CCC- (sf)

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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