



HECHO RELEVANTE –IM BANCO POPULAR FTPYME 1, FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el apartado III.5 del Folleto de “IM BANCO POPULAR FTPYME 1, Fondo de Titulización de Activos” (el “**Fondo**”), se comunica el presente hecho relevante:

- Intermoney Titulización, S.G.F.T., S.A. ha tenido conocimiento de que Fitch Ratings (la “**Agencia de Calificación**”) ha rebajado la calificación crediticia de los Bonos de la Serie A(G) emitidos por el Fondo de “AA-(sf)” a “A (sf)” y de los Bonos de la serie B de “A+ (sf)” a “A (sf)”.

Se adjunta el documento publicado por la Agencia de Calificación relativo a lo comunicado en este hecho relevante.

Madrid, 30 de noviembre de 2012.



Tagging Info

Fitch Downgrades IM Banco Popular FTPYME 1, F.T.A. Ratings Endorsement Policy
29 Nov 2012 9:30 AM (EST)

Fitch Ratings-London-29 November 2012: Fitch Ratings has downgraded IM Banco Popular FTPYME 1, F.T.A.'s class A(G) and B notes, as follows:

EUR102.4m Class A(G) (ISIN ES0347847016): downgraded to 'Asf' from 'AA-sf'; Outlook Stable
EUR34.6m Class B (ISIN ES0347847024): downgraded to 'Asf' from 'A+sf'; Outlook Stable
EUR44.6m Class C (ISIN ES0347847032): affirmed at 'CCCs'; Recovery Estimate (RE) 90%

The downgrades are due to the transaction's exposure to payment interruption risk. Upon a default of the servicer, Banco Popular Espanol ('BB+/'Stable/'B'), borrowers will be required to make payments directly into the accounts of the transactions. Fitch estimates that the process of redirecting borrowers' payments can last up to six months in Spain. During this time, the transaction would receive no collections from the portfolio and would be unable to make timely payments of senior fees, swap liabilities, and rated note interest.

Fitch does not view payment interruption risk as remote given the low rating of the servicer and a lack of a dedicated liquidity facility. To assess the impact of this risk, Fitch modelled the transaction assuming no proceeds from the portfolio are received during six months in a stressed environment. The agency found that the current reserve fund balance (EUR5.0m) is insufficient to mitigate payment interruption risk. Fitch has therefore capped the highest achievable note rating in this transaction at 'Asf', consistent with its 'Criteria for Rating Caps in Global Structured Finance Transactions', dated 2 August 2012.

Fitch notes that the interest rate swap in the transaction allows the issuer to defer a payment to the counterparty without triggering a default under the swap documentation. Deferral is possible if the issuer's available funds are insufficient to cover the entire amount owed to the swap counterparty. However, deferral for more than one payment period is an event of default and gives the swap counterparty the option of terminating the contract. If the termination option is exercised while the swap is in the money for the counterparty, the issuer will have to pay a potentially large termination amount from a senior position in the waterfall.

The affirmation of the class C notes reflects the stable portfolio performance. Loans more than 90 days in arrears represent 1.5% of the portfolio, down from 2.0% in October 2011. The class C notes have benefited from a slight increase in credit enhancement due to the deleveraging of the portfolio.

IM Banco Popular FTPYME, F.T.A., (the issuer) is a static cash flow SME CLO originated by Banco Popular Espanol. At closing, the issuer used the note proceeds to purchase a EUR2.0bn portfolio of secured and unsecured loans granted to Spanish small and medium enterprises and self-employed individuals.

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Additional information is available on www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Source of information: The information used to assess these ratings was sourced from periodic investor reports and the trustee.

Applicable criteria 'Criteria for Rating Granular Corporate Balance-Sheet Securitisations - SME CLO', dated 27 November 2012; 'Global Rating Criteria for Corporate CDOs', dated 8 August 2012; 'Global Criteria for Cash Flow Analysis in CDOs', dated 13 September 2012; 'Criteria for Rating Caps in Global Structured Finance Transactions', dated 2 August 2012; and 'Counterparty Criteria for Structured Finance Transactions', dated 30 May 2012, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Criteria for Rating Granular Corporate Balance-Sheet Securitisations (SME CLOs)
Global Rating Criteria for Corporate CDOs
Criteria for Rating Caps in Global Structured Finance Transactions
Counterparty Criteria for Structured Finance Transactions

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