C. N. M. V.
Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

**COMUNICACIÓN DE HECHO RELEVANTE**

**FTPYME TDA CAM 4, 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 16 de mayo de 2014, donde se llevan a cabo las siguientes actuaciones:

- Bono A2, afirmado como A+(sf).
- Bono A3 (CA), afirmado como A+(sf).
- Bono B, afirmado como CCC-(sf).
- Bono C, afirmado como D(sf).
- Bono D, afirmado como D(sf).

En Madrid, a 16 de mayo de 2014

Ramón Pérez Hernández
Director General

# All Ratings Affirmed In Spanish SME CLO Transaction FTPYME TDA CAM 4 Following Performance Review

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OVERVIEW

- We have reviewed FTPYME TDA CAM 4's performance, using data from the March 2014 trustee report, and have applied our relevant criteria as part of our credit and cash flow analysis.
- Following our review, we have affirmed our ratings on the class A2, A3(CA), B, C, and D notes.
- FTPYME TDA CAM 4 is a cash flow CLO transaction that securitizes a portfolio of SME loans that Caja de Ahorros del Mediterraneo (now merged with Banco Sabadell) originated.

MADRID (Standard & Poor's) May 16, 2014--Standard & Poor's Ratings Services today affirmed its credit ratings on FTPYME TDA CAM 4, Fondo de Titulizacion de Activos' class A2, A3(CA), B, C, and D notes (see list below).

Today's affirmations follow our review of the transaction's performance. We have based our analysis on the trustee report for the March 2014 interest payment date (the collateral information is as of Feb. 28, 2014), and have applied our relevant criteria (see "Related Criteria").

CREDIT ANALYSIS

FTPYME TDA CAM 4's collateral is a closed portfolio of secured (92.45%) and unsecured (7.55%) loans granted to Spanish small and midsize enterprises


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(SMEs) originated by Caja de Ahorros del Mediterraneo (CAM) (now merged with Banco Sabadell, S.A.). The pool has a pool factor (the percentage of the outstanding aggregate principal balance) of 17%. Of the pool, 53.77% of its outstanding balance is concentrated in the originator's home market of Valencia. Concentration in the real estate and construction sectors represents 20.68% of the outstanding pool balance. Since closing in December 2006, obligor concentration has increased due to the pool's deleveraging. The top one, five, and 10 obligors represent 1.16%, 4.23%, and 6.94% respectively, of the outstanding pool balance. The top obligor is in default.

Available credit enhancement for the class A, B, and C notes is provided by subordination and excess spread and totals 30.76%, 4.14%, and -11.19%, respectively (the class C notes are undercollateralized). The class D notes are not collateralized as they were issued in order to fund the cash reserve. We calculated these amounts using the outstanding pool balance (excluding arrears greater than 90 days and defaults) as of Feb. 28, 2014. Since our July 2012 review, credit enhancement has increased due to the deleveraging of the class A to C notes (see "Ratings Lowered In Three Of Banco CAM's Spanish SME Securitizations," published on July 23, 2012).

We have applied our European SME collateralized loan obligation (CLO) criteria to determine the scenario default rates (SDRs) for this transaction (see " European SME CLO Methodology And Assumptions," published on Jan. 10, 2013). The SDR is the minimum level of portfolio defaults that we expect each tranche to support the specific rating level using Standard & Poor's CDO Evaluator.

Our qualitative originator assessment is moderate because of the lack of data the servicer, Banco Sabadell, provided. Taking into account Spain's Banking Industry Country Risk Assessment (BICRA) of 6, we have applied a one-notch decrease to the archetypical European SME average credit quality assessment as described in our criteria. We applied a portfolio selection adjustment of minus three notches based on the portfolio selection adjustment. As a result, our average credit quality assessment of the portfolio is 'ccc'.

The originator did not provide us with internal credit scores. Therefore, we assumed that each loan in the portfolio had a credit quality that is equal to our average credit quality assessment of the portfolio.

We used CDO Evaluator to determine the 'AAA' SDR. We determined that the whole portfolio's 'AAA' SDR is 87.50%. In our view, the high SDR is due to obligor concentration, industry concentration in the real estate and construction sector, and our 'ccc' average credit quality assessment of the portfolio.

We have reviewed historical originator default data, and assessed market trends and developments, macroeconomic factors, changes in country risk, and the way these factors are likely to affect the loan portfolio's creditworthiness.

Total delinquencies have decreased to 6.96% of the outstanding pool balance, from a peak of 13.24% in January 2013, as delinquent loans have rolled into defaults (defined in this transaction as arrears greater than 12 months). Since our July 2012 review, defaults have increased to 21.52% from 8.21%. Because of the increase in defaulted assets, and given that the transaction structure has to artificially write off the defaulted loans, the reserve fund has been fully depleted since March 2013.

As a result of this analysis, our 'B' SDR is 10%.

The SDRs for rating levels between 'B' and 'AAA' are interpolated in line with our European SME CLO criteria.

RECOVERY RATE ANALYSIS

At each liability rating level, taking into account the observed historical recoveries, we assumed a weighted-average recovery rate (WARR) by taking into consideration the asset type, its seniority, and the country recovery grouping (see table 7 in our European SME CLO criteria).

As a result of this analysis, our WARR assumptions in a 'A+' scenario was 45.27%.

CASH FLOW ANALYSIS

We subjected the capital structure to various cash flow scenarios, incorporating different default patterns and interest rate curves, to determine each tranche's passing rating level under our European SME CLO criteria. We gave benefit to the swap in our analysis (see "Counterparty Risk"). Additionally, there was an amortization deficit of about €20.52 million on the March 2014 payment date. Our cash flow analysis shows that the class A2 and A3(CA) notes are able to withstand our cash flow stresses at a 'A+' rating level.

SUPPLEMENTAL TESTS

Our supplemental tests take into account obligor concentration, industry concentration, and regional concentration for the 'AAA' and 'AA' rating categories, and only obligor concentration for the remaining rating categories. As, according to our credit and cash flow analysis, the maximum achievable rating in this transaction is 'A+ (sf)', only the obligor concentration test applies. Our ratings on the notes were not constrained by the application of this supplemental test as the maximum ratings achievable resulting from the test were 'AAA (sf)', 'AAA (sf)', and 'B+ (sf)', for the class A, B, and C notes, respectively.

COUNTERPARTY RISK

The issuer receives from the swap counterparty, JP Morgan, an amount equivalent to the weighted-average coupon of the notes plus 50 basis points per annum on the performing balance of the collateral (this includes loans that are up to 90 days in arrears). We have reviewed the swap counterparty's downgrade provisions in the swap agreement, and they comply with our current counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). Under the transaction documentation, the swap counterparty has chosen replacement option 1 in accordance with our criteria.

SOVEREIGN RISK

Under our nonsovereign ratings criteria, the highest rating we would assign to a structured finance transaction is six notches above the investment-grade rating on the country in which the securitized assets are located (see " Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions," published on June 14, 2011). Because this transaction securitizes Spanish SME loans, and our criteria deem it to have low sensitivity or exposure to sovereign risk, the highest rating achievable is 'AA-', which is six notches above our 'BBB-' long-term sovereign rating on Spain.

RATING ACTIONS

Following our full analysis described above, we have affirmed our 'A+ (sf)' ratings on the class A2 and A3(CA) notes. Despite having no reserve fund, credit enhancement from the performing pool and excess spread in the transaction is sufficient to support our ratings on these classes of notes, in our view.

We have affirmed our 'CCC- (sf)' rating on the class B notes, because we believe this class of notes will default in the short term, due to the considerable increase in cumulative defaults over the past year. We lowered to 'CCC- (sf)' from 'BB (sf)' our rating on the class B notes on Dec. 20, 2013 (see "Rating Lowered On Spanish SME Transaction FTPYME TDA CAM 4's Class B Notes Due To Increased Risk Of Default"). The class B notes will default if the interest deferral trigger, set at 8.00% of the initial collateral balance, is breached and available funds are insufficient to meet interest payments under this class, after the senior classes of notes have amortized. The current level of cumulative defaults is 7.22%.

We have affirmed our 'D (sf)' ratings on the class C and D notes as they are not paying interest. Our ratings on FTPYME TDA CAM 4's notes address the timely payment of interest and payment of principal during the life of the transaction.

FTPYME TDA CAM 4 is a cash flow CLO transaction that securitizes a portfolio of SME loans that CAM, now merged with Banco Sabadell. The transaction closed in December 2006.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at http://standardandpoorsdisclosure-17g7.com .

RELATED CRITERIA AND RESEARCH

Related Criteria

- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- European SME CLO Methodology And Assumptions, Jan. 10, 2013
- Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Update To Global Methodologies And Assumptions For Corporate Cash Flow And Synthetic CDOs, Sept. 17, 2009
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- Sovereign Ratings And Country T&C Assessments, April 29, 2014
- Banking Industry Country Risk Assessment Update: April 2014, April 8, 2014
- European Economic Outlook: Out Of Recession, Back In The Slow Lane, March 21, 2014
- Rating Lowered On Spanish SME Transaction FTPYME TDA CAM 4's Class B Notes Due To Increased Risk Of Default, Dec, 20, 2013
- Methodology And Assumptions: Advance Notice Of Proposed Criteria Change: Ratings Above The Sovereign--Structured Finance, April 12, 2013
- Ratings Lowered In Three Of Banco CAM's Spanish SME Securitizations, July 23, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011

RATINGS LIST

Class Rating

FTPYME TDA CAM 4, Fondo de Titulizacion de Activos
€1.529 Billion Floating-Rate Notes

Ratings Affirmed

| | |
|---|---|
| A2 | A+ (sf) |
| A3(CA) | A+ (sf) |
| B | CCC- (sf) |
| C | D (sf) |
| D | D (sf) |

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