

Fitch Assigns Negative Outlooks to 11 Spanish SME CDOs Ratings
13 Jun 2008 7:02 AM (EDT)

Fitch Ratings-London/Madrid-13 June 2008: Fitch Ratings has today assigned Negative Rating Outlooks to 14 classes from 11 Spanish small- and medium-sized enterprise (SME) collateralised debt obligations (CDOs) transactions.

The Negative Outlooks reflect rapidly increasing arrears, exacerbated by current concerns regarding portfolio credit quality and industry concentration in real estate and related sectors. The current levels of credit support for the classes on Negative Outlooks compare unfavourably with the 90+ day delinquency trends when projected forward over the next 24 months. In addition, industry concentration to real estate, construction and building materials companies remains a long-term concern.

Fitch reiterates that these Negative Rating Outlooks are not downgrades nor are tranches being placed on Rating Watch Negative. The current levels of credit support are sufficient to justify the current ratings in Fitch-rated Spanish SME CDOs; however, in select instances, the agency has a negative view on the long-term performance of certain classes.

The affected transactions and their main portfolio parameters are as listed below:

Caixa Penedes PYMES 1 TdA, Fondo de Titulizacion de Activos Class C: rated 'BBB'
- Current credit enhancement 1.9%, 90+ day delinquencies at 0.6% current portfolio as of 30 April 2008, real estate and related sectors exposure 48.3%

Empresas Hipotecario TDA CAM 5, Fondo de Titulizacion de Activos Class C: rated 'BBB'
- Current credit enhancement 2.3%, 90+ day delinquencies at 0.5% current portfolio as of 30 April 2008, real estate and related sectors exposure 30%