



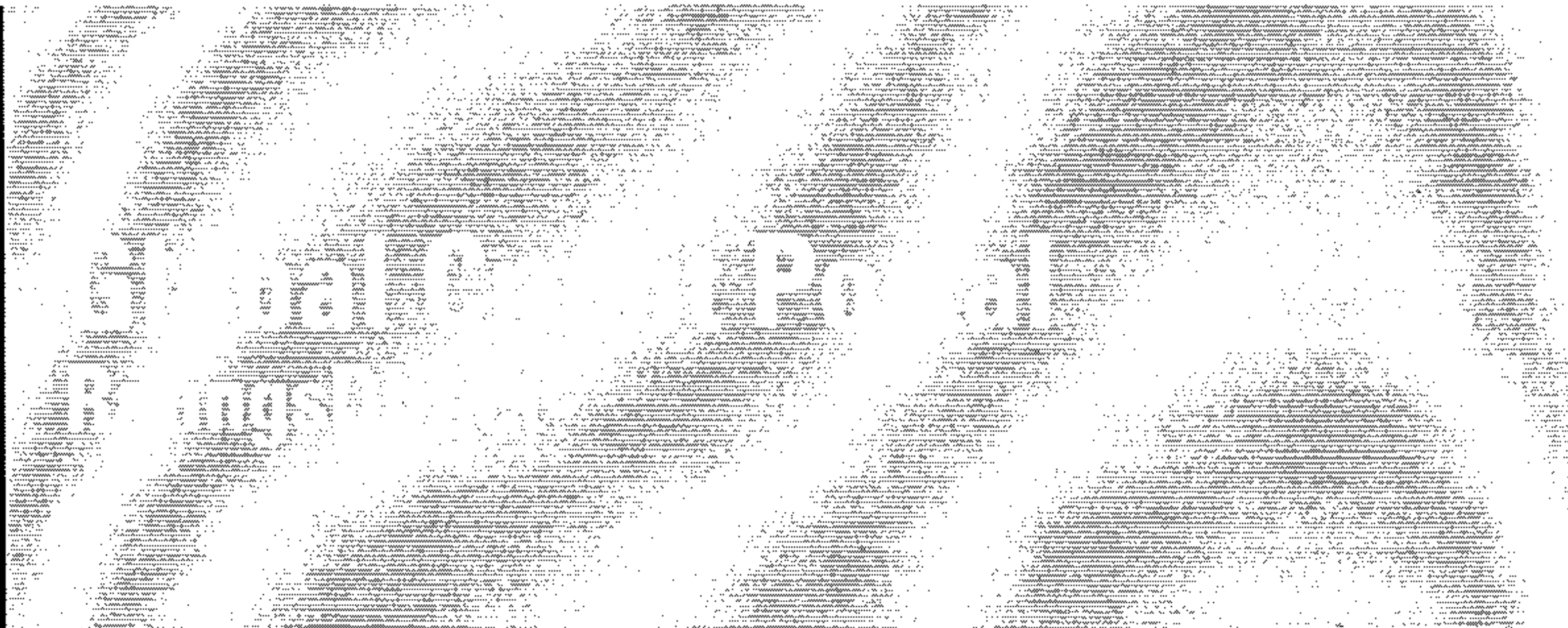
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## **HECHO RELEVANTE –IM BANCO POPULAR FTPYME 1, FONDO DE TITULIZACIÓN DE ACTIVOS**

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 Standard & Poor’s (la “**Agencia de Calificación**”) ha rebajado la calificación crediticia de los Bonos de la Serie C emitidos por el Fondo de a “BB (sf) / *Watch Negative*” a “B - (sf)”.
- Por otra parte, InterMoney Titulización, S.G.F.T., S.A. ha tenido conocimiento de que la calificación de los Bonos de las Series A(G) y B emitidos por el Fondo, se mantiene en “AAA (sf)” y “A (sf)”, respectivamente, en los términos del documento adjunto relativo a lo comunicado en este hecho relevante.

Madrid, 10 de marzo de 2011.



March 9, 2011

## Rating Lowered On Spanish SME CLO Transaction IM BANCO POPULAR FTPYME 1's Class C Notes

**Surveillance Credit Analyst:**

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OVERVIEW

- Since June 2010 we have observed further deterioration in the performance and credit enhancement levels in IM BANCO POPULAR FTPYME 1.
- We have therefore lowered and removed from CreditWatch negative our rating on the class C notes.
- We have also affirmed our rating on the class B notes.
- The class A(G) notes remain on CreditWatch negative in relation to our publication of updated counterparty criteria.
- IM BANCO POPULAR FTPYME 1, which closed in December 2004, is a securitization of loans to SMEs originated by Banco Popular Español.

MADRID (Standard & Poor's) March 9, 2011--Standard & Poor's Ratings Services today lowered and removed from CreditWatch negative its credit rating on IM BANCO POPULAR FTPYME 1, Fondo de 'Titulización de Activos' class C notes. At the same time, we have affirmed our rating on the class B notes. We have also kept on CreditWatch negative our rating on the class A(G) notes, which we placed on CreditWatch on Jan. 18, 2011 when our updated counterparty criteria became effective (see list below).

Our credit analysis, based on the most recent transaction information we have received from the trustee after the January 2011 payment date, showed a continuing erosion of the credit enhancement level for the class C notes. The class A(G) and B notes, however, benefit from a strong level of support that has more than tripled due to amortization since closing in December 2004.

For the class C notes, credit enhancement is provided mainly by a reserve fund

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and to a lesser extent by excess spread. Given the recent performance of the pool, it is the current level of the reserve fund that is putting the greater pressure on the rating on the class C notes. The fund currently stands at 9.63% of its required level and represents 0.38% of the outstanding balance of the notes, compared with 0.85% at closing.

The reserve fund has been below its required level since January 2008, largely as a result of rising defaults in the transaction's underlying pool. In January 2011, defaulted loans (defined as loans in arrears for more than 12 months) stood at 6.47% of the outstanding asset balance, up from 4.60% in January 2010.

We take some comfort from the fact that in this transaction, swap payments to IM BANCO POPULAR FTPYME 1 are based on the outstanding balance of the notes rather than on the performing balance of the pool. Despite this, in our opinion, the likelihood that class C noteholders may experience payment defaults has now risen to levels that are no longer consistent with a rating at the 'BB' level. We have therefore lowered our rating on the class C notes to 'B- (sf)'.

While the credit enhancement available to the class C notes has fallen since closing, it has risen for the class A(G) and B notes. This increase is the result of amortization of the transaction using principal repayments received on loans in the pool. The class A notes, which had an original balance of €1.455 billion, have now been fully repaid, and the outstanding class A(G) note balance has fallen to €211.515 million from €418.800 million. According to our calculations, in January 2011 the credit enhancement available to the class A(G) and B notes has risen to 27.62% and 15.73%, respectively, up from 7.15% and 4.40% at closing.

Given the increased level of credit enhancement, we consider it appropriate to maintain our 'A (sf)' rating on the class B notes and our 'AAA (sf)' rating on the class A(G) notes, despite the rising level of defaults in the transaction. However, class A(G) notes remain on CreditWatch negative due to the exposure to counterparties according to our current counterparty criteria, effective since Jan. 18, 2011 (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010).

The portfolio that Banco Popular Español, S.A. (A-/Negative/A-2) originated comprises mostly secured loans granted to small and midsize enterprises (SMEs) in Madrid, Catalonia, and Valencia. The current portfolio has a seasoning of 96 months and a concentration in the real estate sector of 6.70% (a low percentage compared with more recent Spanish SMEs transactions).

RELATED CRITERIA AND RESEARCH

- EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010

*Rating Lowered On Spanish SME CLO Transaction IM BANCO POPULAR FTPYME 1's Class C Notes*

- Ratings Lowered On Class C Notes In IM BANCO POPULAR, FTPYME 1 Spanish SME ABS Deal, June 21, 2010
- Methodology And Assumptions: Update To The Criteria For Rating European SME Securitizations, Jan. 6, 2009

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Alternatively, call one of the following Standard & Poor's 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) 495-783-4011.

RATINGS LIST

Class	To	Rating	From
IM BANCO POPULAR FTPYME 1, Fondo de Titulización de Activos €2 Billion Floating-Rate Notes			
Rating Lowered And Removed From CreditWatch Negative			
C	B- (sf)		BB (sf)/Watch Neg
Rating Remaining On CreditWatch Negative			
A(G)	AAA (sf)/Watch Neg		AAA (sf)/Watch Neg
Rating Affirmed			
B	A (sf)		

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