

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 Moody'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 Moody's, con fecha 20 de marzo de 2013, donde se llevan a cabo las siguientes actuaciones:

- Bono A2, **A3 (sf)** / en revisión para bajada de calificación a **A3 (sf)**.
- Bono A3 (CA), **A3 (sf)** / en revisión para bajada de calificación a **A3 (sf)**.
- Bono B, **B1 (sf)** / en revisión para bajada de calificación a **B3 (sf)**.
- Bono C, **Caa3 (sf)** / en revisión para bajada de calificación a **Ca (sf)**.

En Madrid, a 21 de marzo de 2013

Ramón Pérez Hernández  
Director General

## **Rating Action: Moody's downgrades four notes in two Banco CAM Spanish SME ABS transactions**

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Global Credit Research - 20 Mar 2013

Frankfurt am Main, March 20, 2013 -- Moody's Investors Service has today downgraded by one to six notches the ratings of four junior notes and confirmed the ratings of five senior notes in two Spanish asset-backed securities transactions backed by loans to small and medium-sized enterprises (SME ABS): FTPYME TDA CAM 4, FTA and FTPYME TDA CAM 7, FTA. At the same time, Moody's confirmed the ratings of three classes of notes in FTPYME TDA CAM 2, FTA and one class in FTPYME TDA CAM 9, FTA. Insufficient credit enhancement to address sovereign risk and exposure to counterparty risk has prompted today's action. This rating action concludes the review for downgrade initiated by Moody's on 2 July 2012. Banco CAM (rating withdrawn on 10 December 2012) originated the four SME ABS transactions. See towards the end of the ratings rationale section of this press release for a detailed list of affected ratings.

### **RATINGS RATIONALE**

Today's rating action primarily reflects the insufficiency of credit enhancement to address sovereign risk. All Spanish SME ABS affected by today's rating action are negatively affected by the introduction of new adjustments to Moody's modelling assumptions to account for the effect of deterioration in sovereign creditworthiness. This action also reflects the revision of key collateral assumptions and increased exposure to lowly rated counterparties. Moody's confirmed the ratings of securities whose credit enhancement and structural features provided enough protection against sovereign and counterparty risk.

The determination of the applicable credit enhancement that drives today's rating actions reflects the introduction of additional factors in Moody's analysis to better measure the impact of sovereign risk on structured finance transactions (see "Structured Finance Transactions: Assessing the Impact of Sovereign Risk", 11 March 2013). This report is available on [www.moody.com](http://www.moody.com) and can be accessed via the following link.  
([http://www.moody.com/viewresearchdoc.aspx?docid=PBS\\_SF319988](http://www.moody.com/viewresearchdoc.aspx?docid=PBS_SF319988))

#### **-- Additional Factors Better Reflect Increased Sovereign Risk**

Moody's has supplemented its analysis to determine the loss distribution of securitised portfolios with two additional factors, the maximum achievable rating in a given country (the local currency country risk ceiling) and the applicable portfolio credit enhancement for this rating. With the introduction of these additional factors, Moody's intends to better reflect increased sovereign risk in its quantitative analysis, in particular for mezzanine and junior tranches.

The Spanish country ceiling is A3, which is the maximum rating that Moody's will assign to a domestic Spanish issuer including structured finance transactions backed by Spanish receivables. The portfolio credit enhancement represents the required credit enhancement under the senior tranche for it to achieve the country ceiling. By lowering the maximum achievable rating, the revised methodology alters the loss distribution curve and implies an increased probability of high loss scenarios.

Under the updated methodology incorporating sovereign risk on ABS transactions, loss distribution volatility increases to capture increased sovereign-related risks. Given the expected loss of a portfolio and the shape of the loss distribution, the combination of the highest achievable rating in a country for structured finance transactions and the applicable credit enhancement for this rating uniquely determine the volatility of the portfolio distribution, which the coefficient of variation (CoV) typically measures for ABS transactions. A higher applicable credit enhancement for a given rating ceiling or a lower rating ceiling with the same applicable credit enhancement both translate into a higher CoV.

#### **-- Moody's Revises Key Collateral Assumptions**

Moody's maintained its default and recovery rate assumptions for the four transactions, which it updated on 18 December 2012 (see "Moody's updates key collateral assumptions in Spanish ABS transactions backed by loans to SMEs", <http://www.moody.com/research/Moody-updates-key-collateral-assumptions-in-Spanish-ABS->

[transactions-backed--PR\\_262512](#)). According to the updated methodology, Moody's increased the CoV, which is a measure of volatility.

For FTPYME TDA CAM 2, the current default assumption is 20% of the current portfolio and the assumption for the fixed recovery rate is 60%. Moody's has increased the CoV to 71.2% from 40%, which combined with the 20% default and 60% recovery assumptions corresponds to a portfolio credit enhancement of 23%.

For FTPYME TDA CAM 4, the current default assumption is 23% of the current portfolio and the assumption for the fixed recovery rate is 52.5%. Moody's has increased the CoV to 67.3% from 41%, which combined with the 23% default and 52.5% recovery assumptions corresponds to a portfolio credit enhancement of 26.5%.

For FTPYME TDA CAM 7 and FTPYME TDA CAM 9, the updated default assumption is 23.5% of the current portfolio and the assumption for the fixed recovery rate is 55%. Moody's has increased the CoV to 61% for both transactions from 36% for FTPYME TDA CAM 7 and 30% for FTPYME TDA CAM 9, respectively. This corresponds to portfolio credit enhancement of 24.5% for both transactions.

#### -- Counterparty Exposure Has Prompted Action

The conclusion of Moody's rating review also takes into consideration the exposure to Banco CAM, which acts as the servicer and collection account bank; Bank of Spain (unrated), as reinvestment account; and CECABANK S.A. (Ba1 review for downgrade/NP), as swap counterparty.

Today's rating action incorporates the increased exposure to the commingling risk because of weakened counterparty credit worthiness. As servicer, Banco CAM transfers the collections from portfolios daily from the collection account to the reinvestment account at Bank of Spain. It subsequently transfers the collections and reserve funds on quarterly basis from the reinvestment account to the issuer account at Barclays Bank PLC (A2/P-1).

As part of its analysis, Moody's also assessed the exposure to CECABANK as swap counterparty in FTPYME TDA CAM 2, FTPYME TDA CAM 4 and FTPYME TDA CAM 7. Based on the provided information, CECABANK has been posting cash collateral on a weekly basis. The revised ratings of the notes, which reflect the insufficiency of credit enhancement to address sovereign risk, are consistent with this exposure. There is no swap in FTPYME TDA CAM 9.

#### -- Other Developments May Negatively Affect the Notes

In consideration of Moody's new adjustments, any further sovereign downgrade would negatively affect structured finance ratings through the application of the country ceiling or maximum achievable rating, as well as potentially increased portfolio credit enhancement requirements for a given rating.

As the euro area crisis continues, the ratings of structured finance notes remain exposed to the uncertainties of credit conditions in the general economy. The deteriorating creditworthiness of euro area sovereigns as well as the weakening credit profile of the global banking sector could further negatively affect the ratings of the notes.

Moody's describes additional factors that may affect the ratings in the Request for Comment, "Approach to Assessing Linkage to Swap Counterparties in Structured Finance Cashflow Transactions: Request for Comment", 02 July 2012.

In reviewing these transactions, Moody's used ABSROM to model the cash flows and determine the loss for each tranche. The cash flow model evaluates all default scenarios that are then weighted considering the probabilities of the inverse normal distribution assumed for the portfolio default rate. In each default scenario, Moody's calculates the corresponding loss for each class of notes given the incoming cash flows from the assets and the outgoing payments to third parties and noteholders. Therefore, the expected loss for each tranche is the sum product of the probability of occurrence of each default scenario; and the loss derived from the cash flow model in each default scenario for each tranche.

As such, Moody's analysis encompasses the assessment of stressed scenarios.

When remodeling the transactions affected by today's rating action, some inputs have been adjusted to reflect the new approach described above.

#### PRINCIPAL METHODOLOGIES

The principal methodology used in these ratings was "Moody's Approach to Rating CDOs of SMEs in Europe", published in February 2007. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

The revised approach to incorporating country risk changes into structured finance ratings forms part of the relevant asset class methodologies, which Moody's updated and republished or supplemented on 11 March 2013, along with the publication of its Special Comment "Structured Finance Transactions: Assessing the Impact of Sovereign Risk".

Other factors used in these ratings are described in the Rating Implementation Guidance "The Temporary Use of Cash in Structured Finance Transactions: Eligible Investment and Bank Guidelines", published in March 2013.

#### LIST OF AFFECTED RATINGS

Issuer: FTPYME TDACAM 2, FTA

....EUR143.5M Series 1CA Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR41.6M Series 2SA Notes, Confirmed at Ba1 (sf); previously on Jul 2, 2012 Ba1 (sf) Placed Under Review for Possible Downgrade

....EUR11.7M Series 3SA Notes, Confirmed at Caa3 (sf); previously on Jul 2, 2012 Caa3 (sf) Placed Under Review for Possible Downgrade

Issuer: FTPYME TDACAM 4, Fondo de Titulizacion de Activos

....EUR931.5MA2 Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR127MA3(CA) Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR66M B Notes, Downgraded to B3 (sf); previously on Jul 2, 2012 B1 (sf) Placed Under Review for Possible Downgrade

....EUR38M C Notes, Downgraded to Ca (sf); previously on Jul 2, 2012 Caa3 (sf) Placed Under Review for Possible Downgrade

Issuer: FTPYME TDACAM 7, FTA

....EUR603.5MA1 Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR170MA2(CA) Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR123.5MA3 Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

....EUR63M B Notes, Downgraded to B1 (sf); previously on Jul 2, 2012 Baa1 (sf) Placed Under Review for Possible Downgrade

....EUR40M C Notes, Downgraded to Caa3 (sf); previously on Jul 2, 2012 B1 (sf) Placed Under Review for Possible Downgrade

Issuer: FTPYME TDACAM 9, FTA

....EUR416M Serie A2 (G) Notes, Confirmed at A3 (sf); previously on Jul 2, 2012 Downgraded to A3 (sf) and Placed Under Review for Possible Downgrade

#### REGULATORY DISCLOSURES

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding

the underlying assets or financial instruments related to the monitoring of these transactions in the past six months.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

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Yuezhen Wang  
Associate Analyst  
Structured Finance Group  
Moody's Deutschland GmbH  
An der Welle 5  
Frankfurt am Main 60322  
Germany  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Carole Gintz  
VP - Senior Credit Officer  
Structured Finance Group  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:  
Moody's Deutschland GmbH  
An der Welle 5  
Frankfurt am Main 60322  
Germany  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454



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