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COMUNICACIÓN DE HECHO RELEVANTE

FTPYME TDA 5, FONDO DE TITULIZACIÓN DE ACTIVOS
Negative Outlook Clase 3SA por parte de Fitch

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 Fitch, con fecha 13 de marzo.

En Madrid a 16 de marzo de 2009

Ramón Pérez Hernández
Director General

Fitch : Info Center : Press Releases

Tagging Info

Fitch Assigns Negative Outlook to Class 3SA of FTPYME TDA 5, FTA Ratings

13 Mar 2009 10:32 AM (EDT)

Fitch Ratings-London-13 March 2009: Fitch Ratings has today affirmed the ratings of FTPYME TDA 5, Fondo de Titulizacion de Activos (FTPYME TDA 5), and simultaneously assigned rating Outlooks as follows:

Class 1 SA (ISIN ES0339741003) affirmed at 'AAA'; assigned a Stable Outlook
Class 2 CA (ISIN ES0339741011) affirmed at 'AAA'; assigned a Stable Outlook
Class 2 SA (ISIN ES0339741029) affirmed at 'AA'; assigned a Stable Outlook
Class 3 SA (ISIIN ES0339741037) affirmed at 'BBB'; assigned a Negative Outlook

Classes 1SA and 2SA have been affirmed with Stable Outlooks, reflecting the significant increase in credit enhancement due to the transaction's deleveraging. As the Kingdom of Spain ('AAA'/Stable/'F1+') guarantees the class 2 CA notes, the 'AAA' rating on these securities was affirmed with a Stable Outlook. The Negative Outlook assigned to class 3SA reflects the tranche's exposure to the delinquency pipeline. In addition, the reserve fund could potentially be decreased to a minimum level of EUR2m from its current level of EUR3.5m, which would decrease the credit enhancement of the notes.

The transaction closed in 2005 and as of 31 January 2009, the outstanding portfolio is 24.4% of the initial portfolio balance, which has led to significant increases in credit enhancement on the notes. 90+ day delinquencies stood at 1.8% of the current portfolio, and 60-90 day delinquencies were 1.4%. The current reserve fund of EUR3.5m provides 7.2% of credit enhancement. The portfolio is concentrated in real estate and related sectors with the current exposure at 36.7%, and the largest geographical region is Madrid at 24.4%.

Spanish macroeconomic conditions have deteriorated sharply in recent quarters and there has been a notable increase in delinquencies across small- and medium-sized enterprise (SME) collateralised debt obligation (CDO) transactions. However, many originators have begun to reinforce collection efforts by adding staff and employing more proactive collection strategies. Given Fitch's expectation for further credit deterioration in the SME segment, the agency continues to review all rated SME CDO transactions to ensure the credit protection in place is sufficient to maintain existing ratings.

In the analysis undertaken, assumptions on probability of default (PD) and loss severity were made with regards to current delinquencies as well as the performing portfolio. With respect to default probability, the base assumption on the current performing portion of the portfolio was revised upward to reflect the non-investment grade nature of underlying borrowers and to consider how the portfolio or loans could perform through-the cycle. This resulted in an increase in the base default probability to approximately 10%, which was then adjusted to reflect the remaining weighted average life of the portfolio. The base case PD was further adjusted to account for the existing portfolio delinquency pipeline, with loans that have been in arrears for longer being assigned progressively higher default probabilities (up to 100% for loans greater than six months in arrears). On the recovery side, Fitch assumed the 'BB' recovery from the initial rating analysis. These updated PD and recovery assumptions were used to determine an updated loss expectation and then compared against the existing subordination available for each tranche, with minimum coverage ratios of the updated expected loss driving the rating actions noted above. Seasoning, excess spread, as well as industry and borrower concentration risk also factored into Fitch's credit view.

The transaction is a cash flow securitisation of loans to Spanish SMEs granted by Banco Guipuzcoano ('A-'(A minus)/Negative/'F2'). The issuer is represented by Titulizacion de Activos SGFT, SA (the Sociedad Gestora), a securitisation fund management company incorporated under the laws of Spain.

Fitch is currently reviewing its SME CDO criteria and methodology to derive default assumptions for non-publicly rated borrowers for SME CDOs as part of its updated CDO methodology approach (for further information, please see the 29 July 2008 commentary, entitled "Fitch Reviewing Default Assumptions for European SME CDOs", which is available on the agency's public website, www.fitchratings.com).

Further commentary and performance data on the transaction is available on the agency's subscription website, www.fitchresearch.com.

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