

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

### **COMUNICACIÓN DE HECHO RELEVANTE**

#### **CM BANCAJA 1, 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 3 de abril de 2013, donde se llevan a cabo las siguientes actuaciones:

- Bono A, de **AA- (sf) / perspectiva negativa a AA- (sf)**.
- Bono B, de **BB (sf) / perspectiva negativa a A (sf)**.
- Bono C, de **B+ (sf) / perspectiva negativa a BBB+ (sf)**.
- Bono D, de **B- (sf) / perspectiva negativa a B+ (sf)**.

En Madrid, a 17 de enero de 2014

Ramón Pérez Hernández  
Director General

## Ratings Raised On CM Bancaja 1's Class B To D Notes Following European SME CLO Criteria Update; Class A Rating Affirmed

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### OVERVIEW

- We have reviewed the performance of CM Bancaja 1, using data from the December 2012 trustee report, and have performed our credit and cash flow analysis applying our updated European SME CLO criteria.
- On Jan. 17, 2013, when our updated European SME CLO criteria became effective, we placed on CreditWatch negative our ratings on the class A, B, C, and D notes.
- Following our review, we have raised and removed from CreditWatch negative our ratings on the class B, C, and D notes, and have affirmed and removed from CreditWatch negative our rating on the class A notes.
- CM Bancaja 1 is a cash flow CLO transaction securitizing a portfolio of SME loans that Bancaja originated in Spain. The transaction closed in September 2005.

PARIS (Standard & Poor's) April 3, 2013--Standard & Poor's Ratings Services today raised and removed from CreditWatch negative its credit ratings on CM Bancaja 1, Fondo de Titulizacion de Activos' class B, C, and D notes. At the same time, we have affirmed and removed from CreditWatch negative our rating on the class A notes (see list below).

Today's rating actions follow the application of our updated criteria for European collateralized loan obligations (CLOs) backed by small and midsize enterprises (SMEs), as well as our assessment of the transaction's performance using the latest available investor report and portfolio data from the servicer (see "[European SME CLO Methodology And Assumptions](#)," published on Jan. 10, 2013).

On Jan. 17, 2013, when our updated European SME CLO criteria became effective, we placed on CreditWatch negative our ratings on the class A, B, C, and D notes (see "[Ratings on 100 Tranches In 33 European SME CLO Transactions Placed on CreditWatch Negative Following Criteria Update](#)").

### CREDIT ANALYSIS

We have applied our updated European SME CLO criteria to determine the scenario default rates (SDRs) for this transaction.

Because of the lack of data provided, our qualitative originator assessment is moderate. Taking into account Spain's Banking Industry Country Risk Assessment (BICRA) of 6 and a moderate qualitative assessment, we have applied a downward adjustment of one notch to the archetypal European SME average credit quality assessment.

We further applied a portfolio selection adjustment of minus one notch to take into account the good performance of this portfolio. CM Bancaja 1 has performed relatively better than most Spanish SME transactions that we rate, with a cumulative default rate of 1.22% over the initial pool balance. As a result, our average credit quality assessment of the portfolio is 'b-'.

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 then used CDO Evaluator to determine the portfolio's 'AAA' SDR, which is 77.30%.

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.

As a result of this analysis, our 'B' SDR is 3.04%.

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

#### COUNTRY RISK

Given that our long-term rating on the Kingdom of Spain is 'BBB-', in accordance with our nonsovereign ratings criteria, we have affirmed our 'AA-' rating on the class A notes (see "[Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions](#)," published on June 14, 2011).

The class A notes have deleveraged significantly since our previous review on July 14, 2011, with only 5% of the initial outstanding amount remaining (see "[Ratings Lowered On Class B And C Notes In Spanish ABS Transaction CM Bancaja 1; Ratings On Classes A And D Affirmed](#)"). The available credit enhancement for the class B has consequently increased. We have therefore raised to 'A (sf)' from 'BB (sf)' and removed from CreditWatch negative our rating on the class B notes.

#### RECOVERY RATE ANALYSIS

At each liability rating level, 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 "[European SME CLO Methodology And Assumptions](#)").

As a result of this analysis, our WARR assumptions in 'AA', 'A', 'BBB', and 'B' scenarios were 42%, 46%, 49%, and 63%, respectively.

#### 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 observed that the portfolio contains a wide range of spread levels. We consider that there is a risk that, should defaults affect the highest highest-paying loans more than others, the pool's yield would tend to decrease over time. This could limit the transaction's ability to service the rated notes. Therefore, we have applied a yield compression stress in our cash flow analysis.

#### SUPPLEMENTAL TESTS

Since closing, the available credit enhancement has increased for all classes of notes due to the high deleveraging of the capital structure, with only 13% of the rated liabilities remaining. Nevertheless, this increase in credit enhancement has been mitigated by the increase in borrower concentration risk. Consequently, our ratings on the class C and D notes were constrained by the application of the largest obligor default test.

With only 53 loans, CM Bancaja 1 has one of the highest borrower concentrations of the Spanish SME CLO transactions that we rate. The current outstanding balance of the pool has decreased to 13% of the original balance, from 19% at our previous review on July 14, 2011. The top 10 and top 20 largest loans represent about 52% and 69%, respectively, of the portfolio--compared with about 47% and 64%, respectively, at our previous review.

Therefore, we have raised our ratings on the class C and D notes to the maximum ratings achievable under the largest obligor test. We have raised to 'BBB+ (sf)' from 'B+ (sf)' and removed from CreditWatch negative our rating on the class C notes. We have raised to 'B+ (sf)' from 'B- (sf)' and removed from CreditWatch negative our rating on the class D notes.

CM Bancaja 1 is a cash flow CLO transaction securitizing a portfolio of SME loans that Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja) originated in Spain. The transaction closed in September 2005.

## STANDARD &amp; 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

- [European SME CLO Methodology And Assumptions](#), Jan. 10, 2013
- [Counterparty Risk Framework Methodology And Assumptions](#), Nov. 29, 2012
- [Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions](#), June 14, 2011
- [Understanding Standard & Poor's Rating Definitions](#), June 3, 2009

## Related Research

- [Europe 2013: Recession Strikes Again](#), Feb. 25, 2013
- [European SME Mapping Model](#), Jan. 25, 2013
- [Ratings on 100 Tranches In 33 European SME CLO Transactions Placed on CreditWatch Negative Following Criteria Update](#), Jan. 17, 2013
- [S&P Announcement: CDO Evaluator Version 6.0.1 Released](#), Aug. 7, 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 Lowered On Class B And C Notes In Spanish ABS Transaction CM Bancaja 1; Ratings On Classes A And D Affirmed](#), July 14, 2011
- [New Issue: CM Bancaja 1, Fondo de Titulizacion de Activos](#), Nov. 23, 2005

## RATINGS LIST

Class	To	Rating	From
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CM Bancaja 1, Fondo de Titulizacion de Activos  
€556.2 Million Floating-Rate Notes

Rating Affirmed And Removed From CreditWatch Negative

A	AA- (sf)	AA-(sf)/Watch Neg
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Ratings Raised And Removed From CreditWatch Negative

B	A (sf)	BB (sf)/Watch Neg
C	BBB+ (sf)	B+ (sf)/Watch Neg
D	B+ (sf)	B- (sf)/Watch Neg

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