



**HECHO RELEVANTE -IM GRUPO BANCO POPULAR EMPRESAS 1,
FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el apartado 4. del Módulo Adicional del Folleto de "IM GRUPO BANCO POPULAR EMPRESAS 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 FitchRatings España, S.A. (la "**Agencia de Calificación**") ha rebajado la calificación crediticia de los Bonos de la Serie C de "A+" a "A, Negative Outlook", la de los Bonos de la Serie D de "BBB+" a "BB, Negative Outlook" y la de los Bonos de la Serie E de "CCC" a "CC", emitidos por el Fondo.
- Intermoney Titulización, S.G.F.T., S.A. ha tenido conocimiento de que la "**Agencia de Calificación**" ha publicado que las calificaciones crediticias de los Bonos de las Series A2 y B emitidos por el Fondo se mantienen en los niveles en que estaban, de "AAA" y "AA", respectivamente, en los términos del documento adjunto relativo a lo comunicado en este Hecho Relevante.

Madrid, 18 de marzo de 2009.



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Fitch Takes Rating Actions on IM Banco Popular FTPYME 1 and IM Grupo Banco Popular EMPRESAS 1 [Ratings](#)

13 Mar 2009 11:23 AM (EDT)

Fitch Ratings-London/Madrid-13 March 2009: Fitch Ratings has today taken various rating actions on two Spanish small- and medium-sized enterprise (SME) collateralised debt obligations (CDOs), IM Banco Popular FTPYME 1, Fondo de Titulizacion de Activos (IM Banco Popular FTPYME 1) and IM Grupo Banco Popular EMPRESAS 1, Fondo de Titulizacion de Activos (IM Grupo Banco Popular EMPRESAS 1). The rating actions were prompted by an increase in delinquent loans in the transactions and concerns about Spain's deteriorating macroeconomic environment. The rating actions, the transactions' main portfolio parameters and rating action rationales are as follows:

IM Banco Popular FTPYME 1

Class A (ISIN ES0347847008) affirmed at 'AAA'; assigned a Stable Outlook
 Class A(G) (ISIN ES0347847016) affirmed at 'AAA'; assigned a Stable Outlook
 Class B (ISIN ES0347847024) downgraded to 'A' from 'A+'; assigned a Negative Outlook
 Class C (ISIN ES0347847032) downgraded to 'B' from 'BBB'; assigned a Negative Outlook

Fitch's analysis of the delinquency pipeline and an updated default forecast for the current portfolio indicated that the credit protection for classes B and C was no longer adequate to support the prior ratings, which is why the two classes were downgraded and assigned Negative Outlooks. The class A notes have been affirmed with a Stable Outlook, reflecting the increase in credit enhancement due to the transaction's deleveraging and class A's reported expected average life of less than a year, which assumed a 5% constant prepayment rate (CPR). As the Kingdom of Spain ('AAA'/Stable/'F1+') guarantees the class A(G) notes, the 'AAA' rating on these securities was affirmed with a Stable Outlook.

The transaction closed in 2004 and as of 31 December 2008, the current portfolio was 28.7% of the initial portfolio balance. 90+ day delinquencies stood at 2% of the current portfolio. The portfolio is concentrated in real estate and related sectors with the current exposure at 24.8%, and the largest geographical region is Madrid at 22.7%. The total reserve fund and line of credit of EUR11.5m provides 2% of credit enhancement.

IM Grupo Banco Popular EMPRESAS 1

Class A2 (ISIN ES0347843015) affirmed at 'AAA'; assigned a Negative Outlook
 Class B (ISIN ES0347843023) affirmed at 'AA'; assigned a Negative Outlook
 Class C (ISIN ES0347843031) downgraded to 'A' from 'A+'; assigned a Negative Outlook
 Class D (ISIN ES0347843049) downgraded to 'BB' from 'BBB+'; assigned a Negative Outlook
 Class E (ISIN ES0347843056) downgraded to 'CC' from 'CCC'

Fitch's analysis of the delinquency pipeline and an updated default forecast for the current portfolio indicated that the credit protection for classes C, D and E was no longer adequate to support the prior ratings. As such, these classes have been downgraded and classes C and D have been assigned Negative Outlooks. The class A2 and B notes have been affirmed, reflecting the increase, to some degree, in credit enhancement due to the transaction's deleveraging. The Negative Outlooks assigned to classes A2 and B reflect the transaction's exposure to the delinquency pipeline and Fitch's expectation of significant further credit deterioration over the next two years due to Spain's economic decline and the ongoing correction in the real estate and construction sectors.

As of 31 December 2008, the reserve fund of EUR37.6m was below the minimum level of EUR45m and provides 4% of credit enhancement. The transaction closed in 2006 and the current portfolio was 48.9% of the initial portfolio balance. 90+ day delinquencies stood at 1.7% of the current portfolio. The portfolio is concentrated in real estate and related sectors with the current exposure at 31.9%, and the largest geographical region is Madrid at 16.5%.

Spanish macroeconomic conditions have deteriorated sharply in recent months and there has been a notable increase in delinquencies across SME CDO transactions. Fitch expects further deterioration due to the economic downturn and ongoing correction in the real estate and related sectors, which is expected to accelerate over the near-term. 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 rated

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 10-15%, 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 existing subordination available for each tranche, with minimum coverage ratios of the updated expected loss driving the actions noted above. Seasoning, excess spread, as well as industry and borrower concentration risk also factored into Fitch's credit view.

IM Banco Popular FTPYME 1 is a cash flow securitisation of loans granted to Spanish SMEs by Banco Popular Espanol SA (rated 'AA/Stable/F1+'). IM Grupo Banco Popular EMPRESAS 1 is a cash flow securitisation of loans granted to Spanish SMEs by Grupo Banco Popular, namely Banco Popular Espanol; Banco de Andalucia (rated 'AA-'((AA minus))/Stable/F1+'), and four unrated entities: Banco de Castilla; Banco de Credito Balear; Banco de Galicia; and Banco de Vasconia. Both issuers are legally represented and managed by InterMoney Titulizacion SGFT, SA (the sociedad gestora), a limited liability company incorporated under Spanish law, whose activities are limited to the management of securitisation funds.

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 (see the commentary "Fitch Reviewing Default Assumptions for European SME CDOs", published 29 July 2008 and available on the agency's public website, www.fitchratings.com).

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

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