

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 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 20 de enero de 2020, donde se llevan a cabo las siguientes actuaciones:

- Bono B, de **BB- (sf)** a **AA+ (sf)**
- Bono C, de **CCC- (sf)** a **B- (sf)**
- Bono D, afirmado como **D (sf)**

En Madrid, a 14 de febrero de 2020

Ramón Pérez Hernández  
Consejero Delegado

# Various Rating Actions Taken On FTPYME TDA CAM 4's Spanish SME CLO Notes Following Review

January 20, 2020

## Overview

- We have raised our ratings on FTPYME TDA CAM 4's class B and C notes following our performance review of the transaction.
- At the same time, we have affirmed our rating on the class D notes.
- FTPYME TDA CAM 4 is a single-jurisdiction cash flow CLO transaction backed by an amortizing portfolio of SME loans. It closed in December 2006.

LONDON (S&P Global Ratings) Jan. 20, 2020--S&P Global Ratings today raised its credit ratings on FTPYME TDA CAM 4, Fondo de Titulizacion de Activos' class B and C notes. At the same time, we have affirmed our rating on the class D notes.

## Credit analysis

We have applied our European small and midsize enterprise (SME) CLO criteria to determine the scenario default rates (SDRs)--the minimum level of portfolio defaults that we expect each tranche to be able to withstand at a specific rating level using CDO Evaluator (see "European SME CLO Methodology And Assumptions," published on Jan. 10, 2013).

We ranked the originator into the moderate category (see tables 1, 2, and 3 in our European SME CLO criteria). Taking into account Spain's banking industry country risk assessment (BICRA) score of 4, we have applied a downward adjustment of one notch to the 'b+' archetypical average credit quality. Due to the absence of information on the creditworthiness of the securitized portfolio compared with the originator's entire loan book, we further adjusted the average credit quality by three notches (see table 4 in our European SME CLO criteria).

As a result of these adjustments, our average credit quality assessment of the portfolio was 'ccc', which we used to generate our 'AAA' SDR of 83%.

We have calculated the 'B' SDR, based primarily on our analysis of historical SME performance data and our projections of the transaction's future performance. We have reviewed the portfolio's historical default data, and assessed market 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 10%.

We interpolated the SDRs for rating levels between 'B' and 'AAA' in accordance with our European

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SME CLO criteria.

## **Cash flow analysis**

At each liability rating level, we applied a weighted-average recovery rate (WARR) by considering observed historical recoveries. As a result of this analysis, our WARR assumptions in a 'B' scenario is 40%.

We used the portfolio balance that the servicer considered to be performing, the current weighted-average spread, and the above weighted-average recovery rates. We subjected the capital structure to various cash flow stress scenarios, incorporating different default patterns and interest rate curves, to determine the rating level, based on the available credit enhancement for each class of notes under our European SME CLO criteria.

## **Country risk**

Under our structured finance sovereign risk criteria, the class B notes can be rated up to six notches above the unsolicited long-term rating on Spain (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published on Jan. 30, 2019).

Since our previous review, the class A2 and A3(CA) have fully amortized. As a result, the credit enhancement for the class B notes increased to 65.9% from 40.1%. In addition, the class B notes have become less vulnerable to liquidity risk. Considering the results of our credit and cash flow analysis and the application of our sovereign risk criteria, we have raised to 'AA+ (sf)' from 'BB-(sf)' our rating on the class B notes.

Since our previous review, the credit enhancement of the class C notes has increased to 17.6% from 5.9%. In our opinion, the class C notes are no longer vulnerable to nonpayment, or dependent upon favorable business, financial, and economic conditions. Therefore, following the application of our 'CCC' ratings criteria, we have raised to 'B- (sf)' from 'CCC- (sf)' our rating on the class C notes ( see "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," published on Oct. 1, 2012).

We have affirmed our 'D (sf)' rating on the class D notes as they continue to miss their interest payments.

FTPYME TDA CAM 4 is a single-jurisdiction cash flow CLO transaction securitizing a portfolio of SME loans that BANCO CAM S.A.U. originated in Spain. The transaction closed in December 2006.

## **Related Criteria**

- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014

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- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- Criteria | Structured Finance | CDOs: European SME CLO Methodology And Assumptions, Jan. 10, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

## Related Research

- Banking Industry Country Risk Assessment Update: December 2019, Dec. 17, 2019
- Various Rating Actions Taken On FTPYME TDA CAM 4's Spanish SME CLO Notes Following Review, July 31, 2018
- 2017 EMEA Structured Credit Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Presale: FTPYME TDA CAM 4 Fondo de Titulizacion de Activos, Nov. 30, 2006

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