

C. N. M. V.
C/ Edison 4
Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

FTPYME TDA CAM 4, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de S&P Global Ratings.

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica la siguiente Información Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por S&P Global Ratings con fecha 27 de septiembre de 2023, donde se llevan a cabo las siguientes actuaciones:

- Serie B, **afirmado como AAA (sf).**
- Serie C, **subida a AA (sf) desde AA- (sf).**
- Serie D, **afirmado como D (sf).**

En Madrid, a 27 de septiembre de 2023

Ramón Pérez Hernández
Consejero Delegado

FTPYME TDA CAM 4 Class C SME CLO Rating Raised On Continued Deleveraging; Class B And D Ratings Affirmed

September 27, 2023

Overview

- We raised our rating on FTPYME TDA CAM 4's class C notes.
- At the same time, we affirmed our ratings on the class B and 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.

PARIS (S&P Global Ratings) Sept. 27, 2023--S&P Global Ratings today raised to 'AA (sf)' from 'AA- (sf)' its credit rating on FTPYME TDA CAM 4, Fondo de Titulizacion de Activos' class C notes. At the same time, we affirmed our 'AAA (sf)' rating on the class B notes and our 'D (sf)' 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 in the moderate category (see tables 1, 2, and 3 in our European SME CLO criteria) and we considered Spain's banking industry country risk assessment (BICRA) score of 4 to derive an average credit quality assessment of 'b'. Due to the absence of information on the securitized portfolio's creditworthiness compared with the originator's entire loan book, we historically further adjusted the average credit quality by three notches to 'ccc' (see table 4 in our European SME CLO criteria). However, for at least the past five years, cumulative defaults have remained relatively flat, at approximately 8.0%, and average arrears greater than 90 days over this period are below 1.0%. As such, at our previous review we raised the average credit quality by one notch to 'CCC+' from 'CCC' at closing, and we have further raised this assessment to 'B-' from 'CCC+' in this review. The portfolio selection adjustment is intended to capture portfolio selection biases and is typically determined at closing. Nevertheless, the last 15 years of data lead us to re-consider the negative adjustment and diminish it.

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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, and considering that cumulative defaults increased only marginally since our previous review, we maintained our 'B' SDR at 12%. Maintaining our 'B' SDR at 12% lowers the total cumulative defaults we expect over the transaction's life.

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

Cash flow analysis

At each liability rating level, we applied a weighted-average recovery rate (WARR) by considering observed historical recoveries. In addition, we consider the time taken to realize recoveries upon a default as part of our recovery timing analysis. The length of time we assume the recovery process will take is determined by the category we have placed the country's legal framework in. As our country grouping for Spain is 'Group A', the minimum recovery timing is 12 months. The recent recovery timing for the transaction is in line with this 12-month period and we have therefore applied a 12-month recovery timing assumption.

On review of our WARR assumption in a 'B' scenario we maintained the expected recovery at 70%, with 35% to be received after the initial minimum 12-month period and the remaining 35% to be received after 24 months.

We used the portfolio balance that the servicer considered to be performing, the current weighted-average spread, and the above WARRs. 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 rated 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, in September 2022, the class B notes have continued to amortize with almost €10.5 million of principal repaid. The class B notes now have an outstanding notional amount of just under €40,000 and as a result the notes will likely fully redeem on the next payment date. Considering the results of our credit and cash flow analysis and the application of our sovereign risk criteria, we affirmed our 'AAA (sf)' rating on this class of notes.

Deleveraging of the senior class B notes has also benefitted the junior class C notes, with credit enhancement increasing to 66.63% from 48.83% in our previous review. However, as the portfolio's weighted-average maturity still exceeds five years, repayment of the class C notes in our modeling relies on recovery proceeds received on assets defaulted by our stress scenarios. As such, the highest achievable rating for the class C notes is sensitive to the recovery assumption, recovery timing, and fees assumed. In a high default scenario, in which little to no principal is being received, the 12-month recovery lag means that the transaction relies on excess spread to cover the fees. As the portfolio balance falls and the excess spread is reduced, or removed all together, the repayment of the notes becomes sensitive to large, fixed fee amounts which become

due. The actual fixed fee amounts paid are reducing in line with the portfolio balance, and as such, we have further reduced the total fee coverage we assume in modeling since our previous review.

Considering the benefit of increased credit enhancement, low defaults, and low arrears, we raised to 'AA (sf)' from 'AA- (sf)' our rating on the class C notes. The results of our credit and cash flow analysis suggest that this class could pass at a higher rating, however our 'AA (sf)' rating reflects the note repayments' continued sensitivity to the recovery assumptions, recovery timing, and fees assumed in high default scenarios.

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

Our ratings on the notes reflect our assessment of the underlying asset pool's credit and cash flow characteristics, as well as our analysis of the transaction's exposure to counterparty, operational, and legal risks.

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

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | CDOs: Global Methodology And Assumptions For CLOs And Corporate CDOs, June 21, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 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
- 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
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28,

2009

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Related Research

- FTPYME TDA CAM 4 Class C SME CLO Rating Raised Following Review; Class B And D Ratings Affirmed, Sept. 13, 2022
- 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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