

Comisión Nacional del Mercado de Valores
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 Standard and Poor's.

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 Standard and Poor's con fecha 27 de julio de 2021, donde se llevan a cabo las siguientes actuaciones:

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

En Madrid, a 29 de julio de 2021

Ramón Pérez Hernández
Consejero Delegado

FTPYME TDA CAM 4 Ratings Raised On Class B And C Notes: Class D Notes Affirmed

July 27, 2021

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) July 27, 2021--S&P Global Ratings today raised 'AAA (sf)' from 'AA+ (sf)' and to 'B+ (sf)' from 'B- (sf)' its credit ratings on FTPYME TDA CAM 4, Fondo de Titulizacion de Activos' class B and C notes, respectively. At the same time, we have affirmed 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 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 83.13%.

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 12%.

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FTPYME TDA CAM 4 Ratings Raised On Class B And C Notes: Class D Notes Affirmed

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. We have observed that the recent recovery timing for the transaction is in line with this 12-month period and we have therefore revised our minimum recovery timing assumption to 12 months from 21 months. As a result of this analysis, our WARR assumption in a 'B' scenario is 45.0%, with 22.5% to be received after the initial minimum 12-month period and the remaining 22.5% 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 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 in January 2020, the class B notes have continued to amortize with almost €19.5 million repaid since the November 2019 report. The class B notes are now 32% outstanding, compared with the original issuance level, with an aggregate principal amount of €21.1 million supported by a current reserve fund balance of €21.2 million. Considering the results of our credit and cash flow analysis and the application of our sovereign risk criteria, we have raised to 'AAA (sf)' from 'AA+ (sf)' our rating on the class B notes.

Deleveraging of the senior class B notes has also benefitted the junior class C notes, with credit enhancement increasing to 35.97% compared with 17.6% at our previous review. The results of our credit and cash flow analysis suggest that the class C notes could pass at higher rating levels. However, we note that despite revising our recovery timing assumption to reflect the current observed recovery timings, the repayment of timely interest and ultimate principal of the class C notes remains sensitive to the time taken to recover principal proceeds upon a default.

Considering the benefit of increased credit enhancement, while also factoring in the sensitivity to recovery timings, we have raised to 'B+ (sf)' from 'B- (sf)' our rating on the class C notes.

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
- 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
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- 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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