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Dirección General de Mercados e Inversores  
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 Fitch 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 Fitch Ratings con fecha 15 de octubre de 2020, donde se llevan a cabo las siguientes actuaciones:

- Serie B, **afirmado como A+ (sf); perspectiva estable.**
- Serie C, **subida a BBB (sf); perspectiva estable.**
- Serie D, **afirmado como C (sf).**

En Madrid, a 19 de octubre de 2020

Ramón Pérez Hernández  
Consejero Delegado

15 Oct 2020 | Affirmation

## Fitch Takes Multiple Rating Actions on Four Spanish SME CDOs

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Fitch Ratings-Madrid-15 October 2020:

Fitch Ratings has taken multiple rating actions on 4 Spanish SME CDOs, including the upgrade of one tranche and removing four tranches from Rating Watch Negative (RWN). A full list of rating actions is below.

### Foncaixa FTGENCAT 4, FTA

----Series A(G) ES0338013016; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----Series B ES0338013024; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----Series C ES0338013032; Long Term Rating; Affirmed; BBB+sf; Rating Outlook Stable

----Series D ES0338013040; Long Term Rating; Affirmed; BB-sf; Rating Outlook Negative

----Series E ES0338013057; Long Term Rating; Affirmed; CCsf

### Caixa Penedes PYMES 1 TDA, FTA

----Class B ES0357326018; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable

----Class C ES0357326026; Long Term Rating; Affirmed; BBBsf; Rating Outlook Negative

### FT PYMES Santander 14

----Series A ES0305381008; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----Series B ES0305381016; Long Term Rating; Affirmed; B+sf; Rating Outlook Stable

----Series C ES0305381024; Long Term Rating; Affirmed; CCsf

### FTPYME TDA CAM 4, FTA

----B ES0339759039; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----C ES0339759047; Long Term Rating; Upgrade; BBBsf; Rating Outlook Stable

----D ES0339759054; Long Term Rating; Affirmed; Csf

### Transaction Summary

The transactions are securitisations of Spanish SME loans.

### KEY RATING DRIVERS

## COVID-19 Additional Stresses

In its analysis of the transactions, Fitch has applied additional stresses in response to the macroeconomic impact of the coronavirus outbreak in Spain. To approximate the potential impact to transaction performance, Fitch has increased the base-case rating default rate (RDR) by 30% and applied a 20% haircut to commercial collateral property value in addition to the commercial property haircut outlined in its "SME Balance Sheet Securitisation Rating Criteria". Fitch expects a generalised weakening of companies' ability to keep up with payments once government support measures are phased out in January 2021, especially in sectors like tourism, restaurants & lodging, and self-employed workers, which are the most vulnerable groups in business lockdowns.

We also considered a downside coronavirus scenario for sensitivity purposes whereby a more severe and prolonged period of stress is assumed. Under this scenario, Fitch's analysis accommodates an increase of 50% to the base-case RDR of the portfolios in conjunction with a 15% decrease to recoveries, as well as a 20% commercial property haircut. The sensitivity of the ratings to scenarios more severe than currently expected is provided in the Rating Sensitivities section below.

Today's affirmations and Stable Outlooks reflect the resilience of the ratings to the COVID-19 stress scenarios. The RWN has been removed as the near-term risk of a downgrade has diminished due to stable credit enhancement trends as described below. The Negative Outlooks assigned to two of the tranches that have been removed from RWN reflect the risk of a downgrade over the longer term as described in the downside scenario above.

## Credit Enhancement (CE) Trends

Fitch expects structural CE for all transactions to remain stable, subject to the evolution of asset performance during the COVID-19 crisis, due to strictly sequential amortisation and a currently non-amortising reserve fund (RF). Santander14 RF is likely to start amortising on the next interest payment date (IPD), but protection of junior notes is robust enough to withstand a decrease in CE. CAM 4 RF is progressively replenishing and providing increasing support to its class C notes, leading to today's upgrade. However, for this class, its rating is lower than the model-implied rating due to the record of volatile performance of the RF, which may lead to lower credit protection of the class C notes in the future.

## Catalonia Exposure to Delay Recoveries

Penedes and FTGENCAT 4, with securitised portfolios highly concentrated on loans backed by residential properties in Catalonia (18.4% and 88% respectively), are exposed to the adverse effects of the Catalanian Decree Law 17/2019 that allows some defaulted borrowers to remain in

their homes as tenants for as long as 14 years and paying a low monthly rent. Fitch's rating assessment has accounted for an increase of 60% in recovery timing on loans secured by residential property in Catalonia.

#### Highly Granular Portfolio

Despite the high seasoning of Penedes, CAM4 and FTGENCAT 4 (all three with remaining portfolio balance below 10% compared with closing) and the rapid amortisation profile of Santander 14, the portfolios remain granular and well-diversified by obligor and industry. The highest concentration is found in Penedes where the largest single borrower group accounts for 2.8% of the portfolio balance, whereas the 10-largest borrower groups account for 13.2%. The largest industry is business services (CAM 4 and Santander 14), real state (Penedes) and retail (FTGENCAT 4).

#### Low Take-up on Payment Holidays

Fitch does not expect the pandemic-related emergency support measures introduced by the Spanish government for vulnerable borrowers to negatively affect the respective SPVs' liquidity positions. This is due largely to the low take-up rate on payment holidays in these transactions of less than 8% as of August 2020 with the exception of FTGENCAT 4 where loans in moratorium accounted for 11%. In addition, principal collections can be used to pay interest due amounts on the notes in all transactions due to combined interest and principal payment priority.

#### Payment Interruption Risk (PiR) Caps Rating

Emergency support measures introduced in Spain include payment moratoriums for SMEs and micro companies for three months. This measure could lead to a reduction of collections during the months the COVID-19 measures are in place. However, Fitch views the exposure to PiR as mitigated for Penedes, and up to 'A+sf' for FTGENCAT 4, CAM4 and Santander 14. This is because RFs provide enough coverage against PiR, collections are swept at least every two days, and servicer and collection account bank roles are performed by regulated financial institutions in a developed market.

#### Counterparty Risk Cap

Santander class A notes' rating is capped at 'A+sf' as per Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria, due to the account bank replacement trigger being set at 'BBB' or 'F2'.

FTGENCAT 4 features a swap providing material support to the transaction, as the swap counterparty (Caixabank, BBB+/Negative/F2/A-dcr) pays interests on a notional equal to the aggregate balance of the class A to D notes (which equates to the performing and delinquent loans

balance plus the amount of defaulted loans not provisioned for), while only receiving interest actually collected on the portfolio. As Fitch believes a swap with these unique features would not be replaceable, the agency has given limited credit to the derivative in scenarios above Caixabank's Derivative Counterparty Rating and considered in its cash flow analysis a swap with market standard conditions in rating scenarios above 'A-sf'. As a result, unlike the class A(G) and B notes, the class C notes cannot currently withstand stresses above 'A-sf'. The Outlook change on the class C notes to Stable reflects the rating's higher resilience to COVID-19 stresses than we had anticipated when we placed them on Negative Outlook.

#### Interest Rate Exposure

Santander 14 is exposed to rising interest-rate scenarios as the portfolio contains 29.5% of receivables paying fixed interest rates while the notes pay a floating coupon and no hedging mechanisms are provided by the structure. Fitch has accounted for this risk and found sufficient CE to mitigate it.

FTPYME TDA CAM 4, FTA has an ESG Relevance Score of 5 for "Transaction and Collateral Structure" due to the ratings being capped at 'A+sf' as a result of PiR not being sufficiently mitigated. This is because the RF is well below target (so risk of liquidity shortfall in case of servicer default), which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

#### RATING SENSITIVITIES

The main factors that could, individually or collectively, lead to positive rating action/upgrade are:

- Resilience of liquidity sources to coronavirus-associated stresses such as payment moratoriums and new loan defaults, all else being equal. This is in connection with the notes affected by liquidity and PiR.
- Increases in CE ratios as the transactions deleverage to fully compensate the credit losses and cash flow stresses that are commensurate with higher rating scenarios, all else being equal. This is in connection with the notes affected by a weaker asset performance outlook due to the coronavirus crisis.

The main factors that could, individually or collectively, lead to negative rating action/downgrade are:

- Weakening of liquidity positions due to large take-ups of loan payment moratoriums and new defaults as a consequence of the coronavirus crisis. This is in relation to the notes affected by liquidity and PiR.
- A longer-than-expected coronavirus crisis that erodes macroeconomic fundamentals and the lending market in Spain beyond Fitch's current base case. CE ratios cannot fully compensate the credit losses and cash flow stresses associated with the current rating scenarios, all else being equal. This is in connection with the notes affected by a weaker asset performance outlook due to the coronavirus crisis.
- A downgrade of Spain's Long-Term Issuer Default Ratings (IDR) that could lower the maximum achievable rating for Spanish structured finance transactions. This is in connection with the senior note rated at 'AAAsf', which is the maximum achievable rating in the country at six notches above the sovereign IDR, in line with Fitch's Structured Finance and Covered Bonds Country Risk Rating Criteria.

#### Best/Worst Case Rating Scenario

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

#### USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

#### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the

rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

For CAM 4, FTGENCAT 4 and Penedes Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable

For Santander 14 prior to the transaction closing, Fitch reviewed the results of a third-party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

#### REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

#### ESG Considerations

FTPYME TDA CAM 4, FTA: Transaction & Collateral Structure: 5

The RF is well below target (so risk of liquidity shortfall in case of servicer default), which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

### **Applicable Criteria**

[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds \(Excel\) \(pub. 06 Dec 2019\)](#)

[Global Structured Finance Rating Criteria \(pub. 17 Jun 2020\) \(including rating assumption sensitivity\)](#)

[SME Balance Sheet Securitisation Rating Criteria \(pub. 07 Feb 2020\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 23 Sep 2020\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

### **Applicable Model**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.9.0 ([1](#))

Portfolio Credit Model, v2.8.1 ([1](#))

### **Additional Disclosures**

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