

Hecho Relevante de HIPOCAT 10 Fondo de Titulización de Activos

Se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Standard & Poor's**, con fecha 27 de noviembre de 2013, comunica que ha bajado las calificaciones crediticias de las siguientes Series de Bonos emitidos por **HIPOCAT 10 Fondo de Titulización de Activos**.

- **Serie A2:** **B** (anterior BB+)
- **Serie A3:** **B** (anterior BB+)
- **Serie B:** **D** (anterior CCC-)

- La Agencia de Calificación **Standard & Poor's**, con fecha 27 de noviembre de 2013, comunica que ha confirmado las calificaciones crediticias de las siguientes Series de Bonos emitidos por **HIPOCAT 10 Fondo de Titulización de Activos**.

- **Serie C:** **D** (anterior D)
- **Serie D:** **D** (anterior D)

Adjuntamos las comunicaciones emitidas por **Standard & Poor's**.

Barcelona, 29 de noviembre de 2013

Carles Fruns Moncunill
Director General

RatingsDirect®

Various Rating Actions In Four Of Catalunya Banc's Hipocat Spanish RMBS Transactions After Performance Deterioration

Surveillance Credit Analyst:

Soledad Martinez-Tercero, Madrid (34) 91-389-6954; soledad.martinez-tercero@standardandpoors.com

Secondary Contact:

Virginie Couchet, Madrid (34) 91-389-6959; virginie.couchet@standardandpoors.com

OVERVIEW

- Catalunya Banc's Hipocat 7, 8, 9, and 10 transactions have experienced considerable performance deterioration in recent months.
- Hipocat 10's class B notes defaulted on the October 2013 payment date.
- We have therefore placed on CreditWatch negative all of our ratings in Hipocat 7, 8, and 9, and we have lowered our ratings on Hipocat 10's class A2, A3, and B notes. At the same time, we have affirmed our 'D (sf)' ratings on Hipocat 10's class C and D notes.
- These transactions closed between 2004 and 2006, and are collateralized by residential mortgage loans granted to individuals to acquire a property. Catalunya Banc originated the loans in its home market in the Catalonia region.

MADRID (Standard & Poor's) Nov. 27, 2013--Standard & Poor's Ratings Services today took various credit rating actions in Hipocat 7, Fondo de Titulización de Activos; Hipocat 8, Fondo de Titulización de Activos; Hipocat 9, Fondo de Titulización de Activos; and Hipocat 10, Fondo de Titulización de Activos.

Specifically, we have:

- Placed on CreditWatch negative our ratings on Hipocat 7's class A2, B, C, and D notes;
- Placed on CreditWatch negative our ratings on Hipocat 8's class A2, B, C, and D notes;

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- Placed on CreditWatch negative our ratings on Hipocat 9's class A2a, A2b, B, C, and D notes; and
- Lowered our ratings on Hipocat 10's class A2, A3, and B notes, and affirmed our 'D (sf)' ratings on the class C and D notes (see list below).

These four residential mortgage-backed securities (RMBS) securitizations are backed by loans that Catalunya Banc S.A. originated in its home market in the Catalonia region. They closed between 2004 and 2006, and are collateralized by residential mortgage loans granted to individuals to acquire a property. The securitized product is the first draw of a flexible mortgage loan called "Crédito Total", which is effectively a flexible, revolving credit line with the possibility of having payment holidays.

We have placed on CreditWatch negative all of our ratings in Hipocat 7, 8, and 9 due to the credit quality deterioration in these transactions in recent months. The level of deterioration that we have observed has been greater than we expected in our December 2012 review, and is greater than what we have observed in other Spanish RMBS transactions that we rate (see "Ratings Lowered In Five Of Catalunya Banc's Hipocat Spanish RMBS Securitizations Following Performance Deterioration," published on Dec. 19, 2012).

The following table shows the increases in 90+ days delinquencies of the outstanding balance of the nondefaulted assets in January 2011, October 2012, and for the November 2013 review. For the November 2013 review figures, we used data from the October 2013 interest payment date (IPD) for Hipocat 7, 9, and 10, and we used data from the September 2013 IPD for Hipocat 8.

	January 2011 (%)	October 2012 (%)	November 2013 review (%)
Hipocat 7	0.57	2.25	6.05
Hipocat 8	0.92	2.88	6.78
Hipocat 9	0.91	3.67	9.64
Hipocat 10	1.93	5.20	11.97

As the level of the available performing balance continues to decrease, it will cause the transactions' performance to deteriorate, for example, further depletion of the reserve funds and reduced collateralization levels. Therefore, we have placed on CreditWatch negative all of our ratings in Hipocat 7, 8, and 9. We will continue to monitor these transactions and will resolve these CreditWatch placements in due course.

Hipocat 10 was originated in July 2006. Since our December 2012 review, the transaction's performance has deteriorated and delinquencies have increases considerably (see table above). Moreover, as we expected in our December 2012 previous review, the class B notes have defaulted on their interest payment on the October 2013 IPD.

The current level of defaults has increased to 6.02% of the outstanding balance of the assets, from 4.17% a year ago. This increase has reduced the

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available credit enhancement for the notes. The class A notes have available credit enhancement (taking into account the performing balance, including loans in arrears up to 90 days, plus the reserve fund amount) of 8.29%, compared with 8.81% at closing. Similarly, the class C notes are undercollateralized with negative credit enhancement of minus 7.25%, compared with 1.70% at closing.

Taking into account the recent deteriorating performance, we have conducted our credit and cash flow analysis. Consequently, we have lowered to 'B (sf)' from 'BB+ (sf)' our ratings on the class A2 and A3 notes, and to 'D (sf)' from 'CCC- (sf)' our rating on the class B notes. At the same time, we have affirmed our 'D (sf)' ratings on the class C and D notes as they continue to default.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an residential mortgage-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Related Research

- Europe's Home Price Declines Continue, But Stabilization May Be Around The Corner, Oct. 31, 2013
- Europe Is Moving From Subzero To Subpar Growth, Sept. 18, 2013
- Ratings Lowered In Five Of Catalunya Banc's Hipocat Spanish RMBS Securitizations Following Performance Deterioration, Dec. 19, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The

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Effects Of The Top Five Macroeconomic Factors, March 14, 2012

- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011

RATINGS LIST

Class	Rating	From
To		

Ratings Placed On CreditWatch Negative

Hipocat 7, Fondo de Titulización de Activos
€1.4 Billion Mortgage-Backed Floating-Rate Notes

A2	BBB+ (sf)/Watch Neg	BBB+ (sf)
B	BBB- (sf)/Watch Neg	BBB- (sf)
C	BB+ (sf)/Watch Neg	BB+ (sf)
D	BB (sf)/Watch Neg	BB (sf)

Hipocat 8, Fondo de Titulización de Activos
€1.5 Billion Mortgage-Backed Notes

A2	A (sf)/Watch Neg	A (sf)
B	BBB- (sf)/Watch Neg	BBB- (sf)
C	BB+ (sf)/Watch Neg	BB+ (sf)
D	B (sf)/Watch Neg	B (sf)

Hipocat 9, Fondo de Titulización de Activos
€1.016 Billion Mortgage-Backed Floating-Rate Notes

A2a	BBB (sf)/Watch Neg	BBB (sf)
A2b	BBB (sf)/Watch Neg	BBB (sf)
B	BB+ (sf)/Watch Neg	BB+ (sf)
C	BB- (sf)/Watch Neg	BB- (sf)
D	B- (sf)/Watch Neg	B- (sf)

Ratings Lowered

Hipocat 10, Fondo de Titulización de Activos
€1.526 Billion Mortgage-Backed Floating-Rate Notes

A2	B (sf)	BB+ (sf)
A3	B (sf)	BB+ (sf)
B	D (sf)	CCC- (sf)

Ratings Affirmed

Hipocat 10, Fondo de Titulización de Activos
€1.526 Billion Mortgage-Backed Floating-Rate Notes

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C D (sf)
D D (sf)

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

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