

**Hecho Relevante de HIPOCAT 9 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 14 de marzo de 2014, comunica que ha bajado las calificaciones crediticias de las siguientes Series de Bonos emitidos por **HIPOCAT 9 Fondo de Titulización de Activos**.

- Serie A2a:	<b>BB</b>	(anterior BBB)
- Serie A2b:	<b>BB</b>	(anterior BBB)
- Serie B:	<b>B</b>	(anterior BB+)
- Serie C:	<b>B-</b>	(anterior BB-)
- Serie D:	<b>CCC-</b>	(anterior B-)

Adjuntamos las comunicaciones emitidas por Standard & Poor's.

Barcelona, 17 de marzo de 2014

Carles Fruns Moncunill  
*Director General*

# RatingsDirect®

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## Ratings Lowered In Three Of Catalunya Banc's Hipocat Spanish RMBS Transactions After Performance Deterioration

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### OVERVIEW

- On Nov. 27, 2013, we placed on CreditWatch negative all of our ratings in Hipocat 7, 8, and 9 due to considerable performance deterioration.
- Since then, weakening credit quality has continued to erode these transactions' capital structures.
- We have therefore lowered and removed from CreditWatch negative all of our ratings in Hipocat 7, 8, and 9.
- These transactions closed between 2004 and 2005, and are collateralized by residential mortgage loans. Catalunya Banc originated the loans in its home market in the Catalonia region.

MADRID (Standard & Poor's) March 14, 2014--Standard & Poor's Ratings Services today lowered and removed from CreditWatch negative all of its credit ratings in Hipocat 7, Fondo de Titulizacion de Activos, Hipocat 8, Fondo de Titulizacion de Activos, and Hipocat 9, Fondo de Titulizacion de Activos.

Specifically, we have:

- Lowered and removed from CreditWatch negative our ratings on Hipocat 7's class A2, B, C, and D notes;
- Lowered and removed from CreditWatch negative our ratings on Hipocat 8's class A2, B, C, and D notes; and
- Lowered and removed from CreditWatch negative our ratings on Hipocat 9's class A2a, A2b, B, C, and D notes (see list below).

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These three 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 2005, and are collateralized by residential mortgage loans. 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.

On Nov. 27, 2013, we placed on CreditWatch negative all of our ratings in Hipocat 7, 8, and 9 due to the credit quality deterioration in these transactions (see "Various Rating Actions In Four Of Catalunya Banc's Hipocat Spanish RMBS Transactions After Performance Deterioration"). The pace of deterioration that we had observed had accelerated compared to our December 2012 review forecasts.

Since our December 2012 review, the deterioration of these transactions has accelerated. The following table shows the increases in 90+ days delinquencies of the outstanding balance of the nondefaulted assets in December 2012, November 2013, and March 2014. For the March 2014 figures, we used data from the January 2014 interest payment date (IPD) for Hipocat 7 and 9, and data from the December 2013 IPD for Hipocat 8.

	December 2012	November 2013	March 2014
	(%)	(%)	(%)
Hipocat 7	2.25	6.05	6.29
Hipocat 8	2.88	6.78	7.44
Hipocat 9	3.67	9.64	9.64

As the available performing portfolio balance will continue to decrease, it will weaken the transaction's structural features, such as decreasing the asset-collateralization of the notes that is already low. The structural features of the transactions are unable to offset our forecasted collateral deterioration, in our view. This is because the transactions benefit from a low reserve fund (Hipocat 7) or no reserve fund at all (Hipocat 8 and 9). In addition, the excess spread generated by the underlying securitized portfolios is low with regard to the amounts due under the notes. As a result, the transactions strongly rely on the swap agreement to provide excess spread.

Under our current counterparty criteria, the ratings in these transactions will be the higher of the credit and cash flow ratings results without the support of the swap counterparty, and the long-term ICR of the swap counterparty--except in those cases in which, due to the transaction's performance, even with the swap in place, the ratings from the credit and cash flow analysis are below the long-term ICR on the swap counterparty (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

This is the case for Hipocat 7, 8, and 9. Cecabank S.A. (BB+/Stable/B) is ineligible under our current counterparty criteria at any rating level above

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its current 'BB+' long-term issuer credit rating (ICR). Given the poor performance these transactions have experienced—except for the class A2 notes in Hipocat 7 and 8 for which our ratings are capped at 'BB+ (sf)'—the result of the credit and cash-flow analysis are below the long term ICR on Cecabank and the transactions therefore rely on excess spread provided by the swap agreement.

Hipocat 7

This transaction was originated in June 2004. Since our December 2012 review, the transaction's performance has continued to deteriorate and delinquencies and defaults have increased considerably. This offsets the portfolio's high seasoning of 124.27 months, and its current low loan-to-value (LTV) ratio of 61.43%.

Long term delinquencies are not being cured, and are rolling over into defaults (loans in arrears for more than 18 months). Therefore, defaults have increased to 2.31% from 0.75% of the outstanding balance of assets in December 2012, reducing the available credit enhancement for the most subordinated class of notes. The class D notes' available credit enhancement has decreased to -0.57% from 3.61% in December 2012 (taking into account the performing balance, including loans in arrears of up to 90 days, as well as the reserve fund amount). At closing, the available credit enhancement for the class D notes was 1.90%. As a result of these rapidly increasing defaults, the reserve fund has decreased to 45.12% as of the last payment date in January 2014 from 97.36% in December 2012.

The portfolio's weighted-average margin is 55 basis points (bps) and the swap is paying the notes' weighted-average coupon plus 66 bps.

Taking the above credit quality and structural features, and performance and counterparty considerations into account, we have lowered our ratings on the class A2, B, C, and D notes to 'BB+ (sf)', 'BB (sf)', 'B+ (sf)', and 'B-(sf)', respectively. We have also removed these ratings from CreditWatch negative.

Our current counterparty criteria cap our 'BB+ (sf)' rating on the class A2 notes to the long-term rating on Cecabank. A future downgrade of the swap counterparty could also adversely affect our ratings in this transaction. The potential roll over of severe delinquencies into defaults, given the recent performance, may further affect our ratings on the notes.

Hipocat 8

This transaction was originated in May 2005. Since our December 2012 review, the transaction's performance has continued to deteriorate and delinquencies have increased. This offsets the portfolio's high seasoning of 127.78 months and its current low LTV ratio of 55.74%.

Long term delinquencies are not being cured and rolling over into defaults.

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Therefore, defaults have increased to 2.95% from 1.12%, reducing the available credit enhancement for the most subordinated class of notes. The class D notes' available credit enhancement has decreased to -4.18% from 1.44% in December 2012. At closing, the available credit enhancement for the class D notes was 1.55%. As a result of the rapidly increasing defaults, the reserve fund has fully depleted as of the December 2013 payment date from 85.85% of its required level in the previous review.

The transaction's weighted-average margin is 55 bps, and the swap is paying the weighted-average coupon of the notes plus 65 bps.

Taking the above performance and counterparty considerations into account, we have lowered our ratings on the class A2, B, C, and D notes to 'BB+ (sf)', 'BB (sf)', 'B- (sf)', and 'CCC (sf)', respectively. We have also removed these ratings from CreditWatch negative.

Our current counterparty criteria cap our 'BB+ (sf)' rating on the class A2 notes to the long-term rating on Cecabank. A future downgrade of the swap counterparty could also adversely affect our ratings in this transaction. The potential roll over of severe delinquencies into defaults, given the recent performance, may further affect our ratings on the notes.

Hipocat 9

This transaction was originated in November 2005. Since our last full review in December 2012, the transaction's performance has continued to deteriorate and delinquencies have continued to increase. This offsets the portfolio's high seasoning of 101.95 months and its current low LTV ratio of 61.12%.

Long term delinquencies are not being cured and rolling over into defaults. Therefore, defaults have increased to 4.27% from 1.85%, reducing the available credit enhancement for the most subordinated class of notes. The class C and D notes' available credit enhancement has decreased to -1.58% from 5.28%, and to -8.27% from -0.09%, respectively. At closing, the available credit enhancement for the class D and C notes was 4.05% and 1.70%, respectively. As a result of the rapidly increasing defaults, the reserve fund has fully depleted as of the December 2013 payment date from 78.87% of its required level in December 2012.

The transaction's weighted-average margin is 65 bps, and the swap is paying the weighted-average coupon of the notes plus 65 bps.

Taking the above performance and counterparty considerations into account, we have lowered our ratings on the class A2a, A2b, B, C, and D notes to 'BB (sf)', 'BB (sf)', 'B (sf)', 'B- (sf)', and 'CCC- (sf)', respectively. We have also removed these ratings from CreditWatch negative.

The ongoing potential roll over of severe delinquencies into defaults, given the recent performance, may further affect our ratings on the notes.

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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 is <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Understanding Standard & Poor's Rating Definitions, June 3, 2009
- 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

- Spanish RMBS Index Report Q4 2013: Severe Delinquencies Persist, Despite Signs Of Economic Recovery, Feb. 28, 2014
- Various Rating Actions In Four Of Catalunya Banc's Hipocat Spanish RMBS Transactions After Performance Deterioration, Nov. 27, 2013
- Ratings Lowered In Five Of Catalunya Banc's Hipocat Spanish RMBS Securitizations Following Performance Deterioration, Dec. 19, 2012
- Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade, April 30, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The 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
To	From

Ratings Lowered And Removed From CreditWatch Negative

Hipocat 7, Fondo de Titulización de Activos

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€1.4 Billion Mortgage-Backed Floating-Rate Notes

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

Hipocat 8, Fondo de Titulización de Activos

€1.5 Billion Mortgage-Backed Notes

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

Hipocat 9, Fondo de Titulización de Activos

€1.016 Billion Residential Mortgage-Backed Floating-Rate Notes

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

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