

**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 **Moody's**, con fecha 25 de febrero de 2015, comunica que ha empeorado la calificaciones crediticias de las siguientes Series de Bonos emitidos por **HIPOCAT 10 Fondo de Titulización de Activos**:

- <b>Serie A2:</b>	Ba3	(anterior Baa3)
- <b>Serie A3:</b>	Ba3	(anterior Baa3)
- <b>Serie B:</b>	Caa3	(anterior Caa1)
- <b>Serie C:</b>	C	(anterior Ca)

Adjuntamos las comunicaciones emitidas por Moody's.

Barcelona, 26 de febrero de 2015

Javier García García  
*Director General*

**Rating Action: Moody's upgrades the rating of six notes and downgrades the rating of six notes in four Hipocat RMBS transactions**

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Global Credit Research - 25 Feb 2015

Madrid, February 25, 2015 -- Moody's Investors Service has today upgraded the ratings of six notes and downgraded the ratings of six notes in the four Spanish residential mortgage-backed securities (RMBS) transactions: HIPOCAT 6, FTA; HIPOCAT 10, FTA; HIPOCAT 11, FTA and HIPOCAT 17, FTA.

Today's rating action concludes the review of eleven notes initiated on 23 January 2015, following the upgrade of the Spanish country ceiling to Aa2 from A1 ([http://www.moody.com/viewresearchdoc.aspx?docid=PR\\_316959](http://www.moody.com/viewresearchdoc.aspx?docid=PR_316959)).

Please refer to the end of the Ratings Rationale section for a list of affected ratings.

**RATINGS RATIONALE**

Today's rating upgrades reflect (1) the increase in the Spanish local-currency country ceiling to Aa2 and (2) sufficiency of credit enhancement in the affected transactions for the revised rating levels.

Today's rating downgrades reflect that the current credit enhancement for the notes is not sufficient to mitigate the increased expected loss assumptions.

-- Reduced Sovereign Risk

The country ceilings reflect a range of risks that issuers in any jurisdiction are exposed to, including economic, legal and political risks. On 20 January 2015, Moody's announced a six-notch uplift between a government bond rating and its country risk ceiling for Spain. As a result, the maximum achievable rating for covered bonds and structured finance transactions was increased to Aa2 from A1 for Spain.

-- Key collateral assumptions

Moody's has reassessed its lifetime loss expectation taking into account the collateral performance of the transactions to date. The assumption of 1.00% and 5.10% over original balance has not been updated in Hipocat 6, FTA and Hipocat 17, FTA, respectively, as the performance of the underlying asset portfolios remain in line with Moody's assumptions. However, in Hipocat 10, FTA and Hipocat 11, FTA the Expected Loss assumption as a percentage over original balance has been increased to 10.70% from 9.90% and to 15.38% from 14.60% due to a worse performance of the underlying assets than expected. For Hipocat 10, FTA, the cumulative defaults have increased to 15.67% from 12.07% over original balance compared to January 2014. For Hipocat 11, FTA, the cumulative defaults have increased to 22.06% from 18.57% over original balance over the same period.

The MILAN CE has not been updated as part of this review for any of the four transactions reflecting that updated portfolio characteristics remain in line with Moody's assumptions.

Hipocat 17, FTA: A sub-portfolio of loans to the amount of EUR 143.6 million, approximately 12.85% of the portfolio balance at closing, was repurchased from the asset pool on 16 July 2014. The repurchased loans consisted of a mixture of performing loans, delinquent loans and defaulted loans. The principal proceeds from the sale were allocated to partially repay the senior notes. In today's rating action, Moody's has given credit to the improvement in credit enhancement levels. Moody's, forward looking, collateral assumptions have not been updated as a result of the removal of the loans. The repurchased loans in default have already been written off via the PDL mechanism and reflected in Moody's cashflow analysis. The repurchase of delinquent loans improves the overall delinquency status of the pool, however Moody's expects a return to previous levels over the coming quarters.

-- Exposure to Counterparties

Moody's rating analysis also took into consideration the exposure to key transaction counterparties including the roles of servicer, account bank and swap provider.

Today's rating action takes into account the servicer commingling exposure to Catalunya Banc, S.A. (B3, Review

for Upgrade/NP) for the four transactions. Moody's also assessed when revising ratings the exposure to CECABANK S.A. (Ba3/NP), JPMorgan Chase Bank, N.A., London Branch (Aa3/(P)P-1) and Catalunya Banc, S.A. (B3, Review for Upgrade/NP) acting as swap counterparties in the transactions as well as the exposure to Banco Santander S.A. (Spain) (Baa1/P-2) acting as issuer account bank in the Hipocat 17, FTA transaction.

#### --Principal Methodology

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework" published in January 2015. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include (1) further reduction in sovereign risk, (2) performance of the underlying collateral that is better than Moody's expected, (3) deleveraging of the capital structure and (4) improvements in the credit quality of the transaction counterparties.

Factors or circumstances that could lead to a downgrade of the ratings include (1) an increase in sovereign risk, (2) performance of the underlying collateral that is worse than Moody's expects, (3) deterioration in the notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

#### LIST OF AFFECTED RATINGS

Issuer: HIPOCAT 6, FTA

...EUR787.6M A Notes, Upgraded to Aa2 (sf); previously on Jan 23, 2015 A1 (sf) Placed Under Review for Possible Upgrade

...EUR15.7M B Notes, Upgraded to A2 (sf); previously on Jan 23, 2015 Baa2 (sf) Placed Under Review for Possible Upgrade

...EUR34M C Notes, Upgraded to Baa2 (sf); previously on Jan 23, 2015 Ba2 (sf) Placed Under Review for Possible Upgrade

Issuer: HIPOCAT 10, FTA

...EUR733.4M A2 Notes, Downgraded to Ba3 (sf); previously on Jan 23, 2015 Baa3 (sf) Placed Under Review for Possible Downgrade

...EUR300M A3 Notes, Downgraded to Ba3 (sf); previously on Jan 23, 2015 Baa3 (sf) Placed Under Review for Possible Downgrade

...EUR54.8M B Notes, Downgraded to Caa3 (sf); previously on Jan 23, 2015 Caa1 (sf) Placed Under Review for Possible Downgrade

...EUR51.8M C Notes, Downgraded to C (sf); previously on Dec 18, 2009 Downgraded to Ca (sf)

Issuer: HIPOCAT 11, FTA

...EUR1083.2M A2 Notes, Downgraded to B2 (sf); previously on Jan 23, 2015 B1 (sf) Placed Under Review for Possible Downgrade

...EUR200M A3 Notes, Downgraded to B2 (sf); previously on Jan 23, 2015 B1 (sf) Placed Under Review for Possible Downgrade

Issuer: HIPOCAT 17, FTA

...EUR1070.8M A Notes, Upgraded to Aa2 (sf); previously on Jan 23, 2015 A3 (sf) Placed Under Review for Possible Upgrade

...EUR4.4M B Notes, Upgraded to Baa3 (sf); previously on Jan 23, 2015 Ba3 (sf) Placed Under Review for Possible Upgrade

...EUR24.8M C Notes, Upgraded to Caa2 (sf); previously on Jan 23, 2015 Caa3 (sf) Placed Under Review for

Possible Upgrade

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding the underlying assets or financial instruments related to the monitoring of these transactions in the past six months.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

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