**Otra Información Relevante de HIPOCAT 11 FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **HIPOCAT 11 FONDO DE TITULIZACIÓN DE ACTIVOS** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

La Agencia de Calificación **Moody´s Investors Service** ("**Moody´s**") con fecha 5 de julio de 2024, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A2**: **Aa1 (sf)** (anterior **Aa2 (sf)**)
- **Serie B:** **Ca (sf)** (anterior C **(sf)**)

Asimismo, Moody's ha confirmado la calificación asignada a las restantes Series de Bonos:

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

Se adjunta la comunicación emitida por Moody's.

Madrid, 10 de julio de 2024

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MOODY'S
RATINGS

## Rating Action: Moody's Ratings upgrades ratings in 3 Hipocat Spanish RMBS transactions

05 Jul 2024

Frankfurt am Main, July 05, 2024 -- Moody's Ratings (Moody's) has today upgraded the ratings of five notes in Hipocat 9, FTA ("Hipocat 9"), Hipocat 10, FTA ("Hipocat 10") and Hipocat 11, FTA ("Hipocat 11"). The rating action reflects better than expected collateral performance for Hipocat 9 and the increased levels of credit enhancement for the affected notes.

Issuer: HIPOCAT 9, FTA

....EUR500M Class A2a Notes, Affirmed Aa1 (sf); previously on Oct 26, 2023 Affirmed Aa1 (sf)

....EUR236.2M Class A2b Notes, Affirmed Aa1 (sf); previously on Oct 26, 2023 Affirmed Aa1 (sf)

....EUR22M Class B Notes, Affirmed Aa1 (sf); previously on Oct 26, 2023 Affirmed Aa1 (sf)

....EUR18.3M Class C Notes, Upgraded to A1 (sf); previously on Oct 26, 2023 Upgraded to Baa1 (sf)

....EUR23.5M Class D Notes, Upgraded to A3 (sf); previously on Oct 26, 2023 Upgraded to Baa2 (sf)

....EUR16M Class E Notes, Affirmed C (sf); previously on Dec 15, 2010 Downgraded to C (sf)

Issuer: HIPOCAT 10, FTA

....EUR733.4M Class A2 Notes, Affirmed Aa1 (sf); previously on Dec 5, 2019 Upgraded to Aa1 (sf)

....EUR54.8M Class B Notes, Upgraded to Ba1 (sf); previously on Dec 5, 2019 Upgraded to Caa1 (sf)

....EUR51.8M Class C Notes, Affirmed C (sf); previously on Feb 25, 2015 Downgraded to C (sf)

....EUR25.5M Class D Notes, Affirmed C (sf); previously on Apr 2, 2009 Downgraded to C (sf)

Issuer: HIPOCAT 11, FTA

....EUR1083.2M Class A2 Notes, Upgraded to Aa1 (sf); previously on Apr 20, 2021 Upgraded to Aa2 (sf)

....EUR52.8M Class B Notes, Upgraded to Ca (sf); previously on Jul 13, 2011 Downgraded to C (sf)

....EUR64M Class C Notes, Affirmed C (sf); previously on Jul 13, 2011 Downgraded to C (sf)

....EUR28M Class D Notes, Affirmed C (sf); previously on Apr 2, 2009 Downgraded to C (sf)

We affirmed the ratings of the notes that have an expected tranche loss commensurate with their current ratings.

RATINGS RATIONALE

For Hipocat 9, the rating action is prompted by decreased key collateral assumptions, namely the portfolio Expected Loss (EL) and MILAN Stressed Loss assumptions due to better than expected collateral performance and an increase in credit enhancement available in the transaction due to sequential amortization and a fully funded reserve fund at floor.

For Hipocat 10 and 11 the rating action is prompted by an increase in credit enhancement for the affected tranches due to sequential amortization and reduction of the principal deficiency ledger (PDL).

We note that in the Hipocat 10 and 11 transactions tranches B, C and D have been deferring interest for circa 10 years and that interest accrues on unpaid interest as per the documentation.

Revision of Key Collateral Assumptions

As part of the rating action, we reassessed our lifetime loss expectation for the portfolio reflecting the collateral performance to date.

For Hipocat 9 the performance of the transaction has continued to be stable since 1 year ago. Total delinquencies have decreased in the past year, with 90 days plus arrears currently standing at 0.38% of current pool balance. Cumulative defaults currently stand at 11.17% of original pool balance, slightly up from 11.16% a year earlier.

We decreased the expected loss assumption to 2.41% as a percentage of current pool balance from 3.41% due to the improving performance. The revised expected loss assumption corresponds to 5.19%  as a percentage of original pool balance.

We have also assessed loan-by-loan information as a part of our detailed transaction review to determine the credit support consistent with target rating levels and the volatility of future losses. As a result, we have decreased the MILAN Stressed Loss assumption to 8.00% from 9.40%.

For Hipocat 10 and 11 we have maintained the expected loss assumptions as a percentage of original pool balance and the MILAN Stressed Loss assumption.

Increase in Available Credit Enhancement

For Hipocat 9, FTA sequential amortization and a non-amortizing reserve fund led to the increase in the credit enhancement available in this transaction. For instance, the credit enhancement for Class C, affected by today's rating action, increased to 30.43% from 27.97% since the last rating action.

For Hipocat 10, FTA sequential amortization and the reduction of the principal deficiency ledger (PDL) led to an increase in the credit enhancement available in this transaction. We note that the existence of PDL for circa  10 years in this transaction has led to an accumulation of unpaid interest for asset-backed tranches B and C. For instance, as of the latest IPD an amount of 3.57 million of past interest due and 0.49 million of interest on interest remains unpaid for Class B notes, up from 1.33 million of past interest due and 0.14 million of interest on interest in April 2023. The payment of interest on Class B and C remains subordinated to the principal of Class A2 given that interest deferral triggers are permanently hit. Our cash flow projections foresee that interest deferral on Class B will cease following Class A2 repayment, which is expected to occur in circa 2 years time. Our expectation is that all Class B unpaid interest will be paid back in full at that time horizon. The precise timing of Class A2 repayment is subject to borrowers prepayment behaviour and collateral performance.

For Hipocat 11, FTA sequential amortization and the reduction of the principal deficiency ledger (PDL) led to an increase in the credit enhancement available in this transaction. For this transaction we also note the existence of PDL for over 10 years, which has also led to an increase of unpaid interest for asset-backed tranches B and C. For instance, as of the latest IPD an amount of 5.06 million of past interest due and 0.23 million of interest on interest remains unpaid for the Class B notes, up from 2.95 million of past interest due and 0.08 million of interest on interest in April 2023. As for Hipocat 10, Class B interest will remain subordinated to the principal of Class A2 until Class A2 is repaid. Today's rating action on Class B of Hipocat 11 reflects the higher uncertainty of full repayment of the tranche including unpaid interest given the higher PDL outstanding and the larger size of Class A2, compared to Hipocat 10.

The three transactions benefit from a swap guaranteeing 0.65% of spread over the notes coupon, on a notional equal to the nondelinquent pool balance, therefore providing an additional source of enhancement when there is no PDL or when PDL reduces.

For Hipocat 9 the Reserve Fund is fully funded. For Hipocat 10 and 11 the Reserve Fund is fully drawn, and replenishment is subordinated to the repayment of unpaid interest and interest on interest on the asset-backed notes.

The principal methodology used in these ratings was "Residential Mortgage-Backed Securitizations" published in May 2024 and available at https://ratings.moodys.com/rmc-documents/421986 . Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The analysis undertaken by Moody's at the initial assignment of ratings for RMBS securities may focus on aspects that become less relevant or typically remain unchanged during the surveillance stage. Please see Residential Mortgage-Backed Securitizations methodology for further information on Moody's analysis at the initial rating assignment and the on-going surveillance in RMBS.

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) performance of the underlying collateral that is better than we expected, (2) an increase in available credit enhancement, (3) improvements in the credit quality of the transaction counterparties and (4) a decrease in sovereign risk.

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 we expected, (3) deterioration in the notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions .

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.

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