Europea de Titulización

Otra Información Relevante de **BANCAJA 10 Fondo de Titulización de Activos**

En virtud de lo establecido en el Folleto Informativo de **BANCAJA 10 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 25 de febrero de 2025, comunica que ha elevado la calificación asignada a las siguientes Series de Bonos emitidos por el Fondo:

  - **Serie B**: **Baa1 (sf)** (anterior **Ba3 (sf)**)
  - **Serie C**: **Ba1 (sf)** (anterior **B2 (sf)**)
  - **Serie D:** **B3 (sf)** (anterior **Caa3 (sf)**)

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

  - **Serie A3**: **Aa1 (sf)**
  - **Serie E**: **C (sf)**

  Se adjunta la comunicación emitida por Moody's.

Madrid, 26 de febrero de 2025

Rating Action: Moody's Ratings upgrades six notes in MBS BANCAJA 4, FTA and BANCAJA 10, FTA

25 Feb 2025

Madrid, February 25, 2025 -- Moody's Ratings (Moody's) has today upgraded the ratings of six notes in MBS BANCAJA 4, FTA and BANCAJA 10, FTA. The rating actions reflect better than expected collateral performance, increased levels of credit enhancement for the affected notes and our assessment of the likelihood of prolonged missed interests in both transactions.

We affirmed the ratings of the notes that had sufficient credit enhancement to maintain their current ratings.

Issuer: BANCAJA 10, FTA

....EUR500M Class A3 Notes, Affirmed Aa1 (sf); previously on Feb 7, 2024 Affirmed Aa1 (sf)

....EUR65M Class B Notes, Upgraded to Baa1 (sf); previously on Feb 7, 2024 Upgraded to Ba3 (sf)

....EUR52M Class C Notes, Upgraded to Ba1 (sf); previously on Feb 7, 2024 Upgraded to B2 (sf)

....EUR26M Class D Notes, Upgraded to B3 (sf); previously on Feb 7, 2024 Upgraded to Caa3 (sf)

....EUR31M Class E Notes, Affirmed C (sf); previously on Sep 22, 2014 Affirmed C (sf)

Issuer: MBS BANCAJA 4, FTA

....EUR1182.1M Class A2 Notes, Affirmed Aa1 (sf); previously on Oct 26, 2023 Affirmed Aa1 (sf)

....EUR30.5M Class B Notes, Upgraded to Aa1 (sf); previously on Oct 26, 2023 Upgraded to A2 (sf)

....EUR18.9M Class C Notes, Upgraded to A3 (sf); previously on Oct 26, 2023 Upgraded to Ba2 (sf)

....EUR18.5M Class D Notes, Upgraded to Baa3 (sf); previously on Oct 26, 2023 Upgraded to Ba3 (sf)

....EUR23.1M Class E Notes, Affirmed C (sf); previously on Sep 5, 2014 Affirmed C (sf)

Maximum achievable rating is Aa1(sf) for structured finance transactions in Spain, driven by the corresponding local currency country ceiling of the country.

RATINGS RATIONALE

The rating action is prompted by decreased key collateral assumptions, namely the portfolio Expected Loss (EL) assumptions due to better than expected collateral performance, an increase in credit enhancement for the affected tranches and our assessment of the likelihood of prolonged missed interests in both transactions.

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.

The performance of MBS BANCAJA 4, FTA has continued to improve since April 2024. Total delinquencies have decreased in the past year, with 90 days plus arrears currently standing at 1.77% of current pool balance compared to 2.21% in April 2024. Cumulative defaults currently stand at 6.94% of original pool balance compared to 6.91% a year earlier.

For MBS BANCAJA 4, FTA, we decreased the expected loss assumption to 3.76% as a percentage of current pool balance from 4.05% due to improving performance. The revised expected loss assumption corresponds to 3.41% as a percentage of original pool balance, down from 3.50%.

The performance of BANCAJA 10, FTA has been stable since February 2024. Total delinquencies have slightly increased in the past year, with 90 days plus arrears currently standing at 1.45% of current pool balance compared to 1.30% in February 2024. Cumulative defaults currently stand at 11.83% of original pool balance compared to 11.79% a year earlier.

For BANCAJA 10, FTA, we decreased the expected loss assumption to 3.08% as a percentage of current pool balance from 3.42% due to stable performance and higher expected future recoveries. The revised expected loss assumption corresponds to 5.76% as a percentage of original pool balance, down from 6.95%.

We reassessed loan-by-loan information to estimate the loss we expect the portfolio to incur in a severe economic stress. As a result, we have maintained the MILAN Stressed Loss assumption at 11.9% and 10.2% for MBS BANCAJA 4, FTA and BANCAJA 10, FTA respectively.

Increase in Available Credit Enhancement

Sequential amortization together with a non-amortizing reserve fund in MBS BANCAJA 4, FTA and a replenishing reserve fund in BANCAJA 10, FTA led to the increase in the credit enhancement available in both transactions. In MBS BANCAJA 4, FTA the credit enhancement for the Class B, Class C and Class D notes affected by today's rating action increased to 38.3%, 26.3% and 14.6% from 28.8%, 19.8% and 11.0% respectively since the last rating action. The transaction includes a reserve fund amortization trigger, which could lead to an amortization of the reserve fund to its floor if 90 days plus arrears are below 1.0% of current pool balance; we have assessed the likelihood of this event and the impact on the notes.

In BANCAJA 10, FTA, the credit enhancement for the Class B, Class C and Class D notes affected by today's rating action increased to 22.3%, 9.8% and 3.5% from 17.7%, 6.9% and 1.5% respectively since the last rating action.

Assessment of the likelihood of prolonged missed interests

For MBS BANCAJA 4, FTA the interest deferral trigger for Class D has been hit, but the reserve fund is still available to pay deferred interest. For Classes B and C, the interest deferral triggers have not been hit, with still some buffer to reach the respective levels. Interest payments have been paid timely for all notes so far. Our analysis considers the very low likelihood of prolonged interest shortfalls on Class B in future, as well as the low likelihood for Classes C and D.

The interest of Class B, Class C and Class D in BANCAJA 10, FTA remain subordinated to principal due on Class A given the interest deferral triggers are hit, however reserve fund, and excess spread if any, are available to pay subordinated interest for Classes B, C and D. The upgrade of Classes C and D in BANCAJA 10, FTA has taken into account the permanent economic loss resulting from the 7.5 and 9.5 years respectively over which interest was deferred without interest on deferred interest being due. Our analysis has also considered potential future interest deferrals. While all interest shortfalls have since been recouped, the transaction structure does not mandate interest-on-interest following non-payment of interest. Class B only missed a single quarter of interest payments but is still at risk of interest deferral in the future, even though with a very high likelihood of full repayment. We have limited Class B rating's upgrade to Baa1 to reflect the risk of future deferrals.

Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

The principal methodology used in these ratings was "Residential Mortgage-Backed

Securitizations" published in October 2024 and available at https://ratings.moodys.com/rmc-documents/429877 . 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.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating 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.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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