Hecho Relevante de HIPOCAT 7 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **HIPOCAT 7 FONDO DE TITULIZACIÓN DE ACTIVOS** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

La Agencia de Calificación **Fitch Ratings** ("**Fitch**"), con fecha 25 de agosto de 2017, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por
el Fondo:

- **Serie A2**: **AA+sf**, perspectiva positiva (anterior AA-sf, perspectiva positiva)
- **Serie B**: **AAsf**, perspectiva estable (anterior A+sf, perspectiva estable)
- **Serie C**: **BBB+sf**, perspectiva estable (anterior BBBsf, perspectiva estable)

Asimismo, Fitch ha confirmado la calificación asignada a la restante Serie de Bonos:

- **Serie D**: **BBsf**, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 28 de agosto de 2017.

Javier Eiriz Aguilera
Director General

FitchRatings

Fitch Upgrades 7 Tranches of Hipocat RMBS; Affirms Others

Fitch Ratings-London-25 August 2017: Fitch Ratings has upgraded seven tranches of the Hipocat RMBS series and affirmed 20 tranches. A full list of rating actions is below.

The transactions consist of mortgages originated in Spain by Catalunya Banc S.A. (now part of BBVA Group; A-/Stable/F2), which previously traded as Caixa Catalunya.

KEY RATING DRIVERS
Improving Asset Performance
The Hipocat series continues to see fewer borrowers falling into early-stage arrears as the macroeconomic environment in Spain improves. As late stage arrears continue to roll through to default the transactions continue to report a decline in three months plus arrears.

As of end-May 2017 loans in arrears by more than 90 days stood at between 0.7% (Hipocat 6) and 1.9% (Hipocat 9), down from between 2.0% (Hipocat 7) and 4.0% (Hipocat 11) in June 2016. The volume of cumulative defaults currently ranges between 1.0% (Hipocat 6) and 24.7% (Hipocat 11) of the initial pool balance.

Fitch believes that asset performance is likely to continue improving across transactions, mainly driven by the high seasoning of the underlying portfolios, between 140 months (Hipocat 11) and 196 months (Hipocat 6), and stable macroeconomic conditions. This expectation is reflected in the affirmations.

The solid performance combined with growing credit enhancement led Fitch to upgrade the senior, B, and C notes of Hipocat 7 and the senior and B notes of Hipocat 9 and the class C note of Hipocat 8. Fitch has also assigned the highest rated notes in Hipocat 7 a Positive Outlook, in light of the revision of the Outlook on the Spanish sovereign to Positive.

Exposure to Payment Interruption Risk
Payment interruption risk is adequately covered in Hipocat 6 as the cash reserve is sufficient to pay senior expenses and interest due on the notes. The level of cash reserve for Hipocat 7 continues to replenish and is currently sufficient to pay senior expenses and interest due on the notes. However, the senior notes may be exposed to payment interruption risk if significant draws on the reserve fund take place, given there are no structural mitigants to cover for a disruption to the collection process.

In Hipocat 8-11, payment interruption risk is not mitigated as the cash reserves remain fully depleted. The notes exposed to payment interruption can achieve a maximum rating of 'A+sf', given BBVA's rating.

High Deficiency Ledgers
The principal deficiency ledgers (PDL) have reduced for Hipocat 8 to EUR10.6 million (as of June 2017) from EUR16.4 million (as of May 2016), for Hipocat 9 to EUR20.2 million from EUR22.8 million (as of June 2016), and for Hipocat 10 to EUR79.2 million from EUR82.3 million (as of June 2016). The PDL for Hipocat 11 has increased slightly to EUR138.6 million from EUR137.1 million (as of May 2016).

RATING SENSITIVITIES
The ratings on Hipocat 6 and 7's class A notes are sensitive to changes to Spain's Country Ceiling and, consequently, changes to the highest achievable rating for Spanish structured finance notes.

A worsening of the Spanish macroeconomic environment, especially employment conditions, or an abrupt shift in interest rates could jeopardise the ability of the underlying borrowers to meet their payment obligations.

USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10
No third party due diligence was provided or reviewed in relation to this rating action.

DATA ADEQUACY
Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. There were no findings that were material to this analysis. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

SOURCES OF INFORMATION
The information below was used in the analysis:
Transaction reporting provided by Europea de Titulizacion SGFT S.A:
- May 2017 for all the transactions

Loan-by-loan data provided by Europea de Titulizacion SGFT S.A and downloaded from the European Data Warehouse as of:
-June 2017 for Hipocat 6 and 8
-April 2017 for Hipocat 7, 9, 10 and 11

MODELS
The models below were used in the analysis. Click on the link for a description of the model:

ResiEMEA. (https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea)
EMEA RMBS Surveillance Model. (https://www.fitchratings.com/site/structuredfinance/rmbs/emearsm)
EMEA Cash Flow Model. (https://www.fitchratings.com/site/structuredfinance/emeacfm)

The rating actions are as follows:
Hipocat 6
Class A (ISIN): affirmed at 'AA+sf'; Outlook Positive
Class B (ISIN): affirmed at 'AAsf'; Outlook Stable
Class C (ISIN): affirmed at ' A+sf'; Outlook Stable

Hipocat 7
Class A2 (ISIN): upgraded to 'AA+sf' from 'AA-sf'; Outlook Positive
Class B (ISIN): upgraded to 'AAsf' from 'A+sf' '; Outlook Stable
Class C (ISIN): upgraded to 'BBB+sf' from 'BBBsf'; Outlook Stable
Class D (ISIN): affirmed at 'BBsf'; Outlook Stable

Hipocat 8
Class A2 (ISIN): affirmed at 'A+sf'; Outlook Stable
Class B (ISIN): affirmed at 'Asf' '; Outlook Stable
Class C (ISIN): upgraded to 'BB+sf' from 'BBsf'; Outlook Stable
Class D (ISIN): affirmed at 'CCCsf'; Recovery Estimate 40%

Hipocat 9
Class A2a (ISIN): upgraded to 'Asf' from 'BBB+sf'; Outlook Stable
Class A2b (ISIN): upgraded to 'Asf' from 'BBB+sf'; Outlook Stable
Class B (ISIN): upgraded to 'BB+sf' from 'BBsf'; Outlook Stable
Class C (ISIN): affirmed at 'CCCsf' '; Recovery Estimate 100%
Class D (ISIN): affirmed at 'CCsf'; Recovery Estimate 15%
Class E (ISIN): affirmed at 'Csf'; Recovery Estimate 0%

Hipocat 10
Class A2 (ISIN): affirmed at 'Bsf'; Outlook Stable
Class A3 (ISIN): affirmed at 'Bsf'; Outlook Stable
Class B (ISIN): affirmed at 'CCsf' '; Recovery Estimate 10%
Class C (ISIN): affirmed at 'CCsf' '; Recovery Estimate 0%
Class D (ISIN): affirmed at 'Csf'; Recovery Estimate 0%

Hipocat 11
Class A2 (ISIN): affirmed at 'CCCsf'; Recovery Estimate 100%
Class A3 (ISIN): affirmed at 'CCCsf'; Recovery Estimate 100%
Class B (ISIN): affirmed at 'CCsf' '; Recovery Estimate 0%
Class C (ISIN): affirmed at 'CCsf' '; Recovery Estimate 0%
Class D (ISIN): affirmed at 'Csf'; Recovery Estimate 0%

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Additional information is available on www.fitchratings.com

Applicable Criteria
Criteria Addendum: Spain Residential Mortgage Assumptions (pub. 02 Dec 2016) (https://www.fitchratings.com/site/re/891432)
Criteria for Country Risk in Global Structured Finance and Covered Bonds (pub. 26 Sep 2016) (https://www.fitchratings.com/site/re/881269)
EMEA RMBS Rating Criteria (pub. 29 Nov 2016) (https://www.fitchratings.com/site/re/891276)
Global Structured Finance Rating Criteria (pub. 03 May 2017) (https://www.fitchratings.com/site/re/897411)
Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 23 May 2017) (https://www.fitchratings.com/site/re/898537)
Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 23 May 2017) (https://www.fitchratings.com/site/re/898538)
Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 17 Feb 2017) (https://www.fitchratings.com/site/re/893890)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form (https://www.fitchratings.com/site/dodd-frank-disclosure/1028290)
Solicitation Status (https://www.fitchratings.com/site/pr/1028290#solicitation)
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