

Hecho 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 el presente hecho relevante:

La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 20 de abril de 2018, comunica que ha confirmado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:

- **Serie A2:** CCCsf, recobro estimado 95%
- **Serie A3:** CCCsf, recobro estimado 95%
- **Serie B:** CCsf, recobro estimado 0%
- **Serie C:** CCsf, recobro estimado 0%
- **Serie D:** Csf, recobro estimado 0%

Se adjunta la comunicación emitida por Fitch.

Madrid, 23 de abril de 2018.

José Luis Casillas González
Apoderado

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Apoderada



Fitch Upgrades 9 Tranches of Hippocat RMBS Series; Affirms 11

Fitch Ratings-London-20 April 2018: Fitch Ratings has upgraded nine tranches of the Hipocat RMBS series and affirmed 11 tranches. All ratings have been removed from Rating Watch Evolving (RWE) where they were placed on 5 October 2017 following the publication of Fitch's new European RMBS Rating Criteria.

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. The loans are serviced by BBVA Group.

KEY RATING DRIVERS

European RMBS Rating Criteria

The rating actions reflect the application of Fitch's new European RMBS Rating Criteria. They also reflect the levels of credit enhancement (CE) relative to Fitch's asset performance expectations as per the agency's rating criteria.

Payment Interruption Risk

For Hipocat 7, the cash reserve fund has a balance of EUR 12.8 million, which is approximately 50% of the target balance. Although the cash reserve fund may be drawn in the future to cover for defaults, Fitch has not applied a rating cap to the class A2 and B notes based on the expectation that funds will remain sufficient to cover payment interruption risk. However, the lack of dedicated liquidity has precluded upgrades above 'A+sf'.

For Hipocat 9, Hipocat 10, and Hipocat 11, the cash reserve funds are currently fully depleted. Therefore, the note ratings remain capped at 'A+sf' due to insufficient structural mitigation to payment interruption risk.

Asset Performance

Based upon supplementary loan-level data, Fitch estimated total delinquent loan balances (in excess of x0.1 payments) of 15.7%, 14.4%, 16.2% and 18.3% for Hipocat 7, Hipocat 9, Hipocat 10 and Hipocat 11, respectively, as a percentage of the total loan balance of performing and delinquent loans. The balances of loans with more than three payments in arrears were estimated at 0.8%, 1.2%, 1.1% and 1.3% for Hipocat 7, Hipocat 9, Hipocat 10 and Hipocat 11, respectively.

CE

Currently all four transactions are amortising on a sequential basis between each class of notes as a result of the reserve funds being under funded.

For Hipocat 7, Fitch has calculated CE of 33.4%, 26.9% 14.4% and 6.0% for the class A, B, C and D notes, respectively.

For Hipocat 9, Fitch has treated the class A2a and A2b notes as pari-passu. Fitch has calculated CE of 25.2%, 15.4%, 7.2%, negative 3.3% and negative 10.5% for the class A, B, C, D and E notes, respectively.

For Hipocat 10, Fitch has treated the class A2 and A3 notes as pari-passu. Fitch has calculated CE of 15.8%, negative 1.4%, negative 17.6% and negative 25.5% for the class A, B, C and D notes, respectively.

For Hipocat 11, Fitch has treated the class A2 and A3 notes as pari-passu. Fitch has calculated CE of negative 0.9%, negative 17.2%, negative 36.9% and negative 45.6% for the class A, B, C and D notes, respectively.

Recoveries on Defaulted Receivables

Fitch was provided with supplementary loan-level information on defaulted accounts to enable the calculation of recoveries on defaulted receivables as described in its European RMBS Rating Criteria.

For Hipocat 7 the balance of defaulted receivables totalled EUR 24.4 million and Fitch calculated a 'Bsf' a recovery rate of 40.1%. For Hipocat 9 the balance of defaulted receivables totalled EUR 36.7 million and Fitch calculated a 'Bsf' recovery rate of 29.2%. For Hipocat 10 the balance of defaulted receivables totalled EUR 83.4 million and Fitch calculated a 'Bsf' recovery rate of 19.8%. For Hipocat 11 the balance of defaulted receivables totalled EUR125.3 million and Fitch calculated a 'Bsf' recovery rate of 14.5%.

RATING SENSITIVITIES

For Hipocat 7 class A and B notes, the future depletion of the reserve fund may result in the note ratings being capped at 'A+sf'.

For all notes rated below 'A+sf', a timely and successful resolution of the existing defaulted receivables could have a positive rating impact, as indicated by the Positive Outlooks.

For all notes, a worsening of the Spanish macroeconomic environment, especially employment conditions, or an abrupt shift of interest rates could jeopardise the underlying borrowers' affordability. This could have negative effects on asset performance and negative rating implications.

USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch 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 pools and the transactions. There were no findings that affected the rating 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 and together with the assumptions referred to above, 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.

- Loan-level data provided by European Datawarehouse with a cut-off date at 08 January 2018 for Hipocat 7, 9 and 11. For Hipocat 10 cut-off as at 17 January 2018.
- Supplementary loan-level data provided by Europea de Titulizacion in relation to loans with arrears balances as of 31 March 2018 and loans with an account status of defaulted as of 10 April 2018
- Transaction reporting provided by Europea de Titulizacion with an interest payment date of 15 January 2018 for Hipocat 7, 9 and 11. For Hipocat 10 data with an interest payment date of 24 January 2018.

MODELS

ResiEMEA. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea>)

EMEA Cash Flow Model.

(<https://www.fitchratings.com/site/structuredfinance/emeacfm>)

The rating actions are as follows:

Hipocat 7

Class A2 (ISIN ES0345783015): affirmed at 'AA+sf'; off RWE; Outlook Stable
Class B (ISIN ES0345783023): affirmed at 'AAsf'; off RWE; Outlook Stable
Class C (ISIN ES0345783031): upgraded to 'A+sf' from 'BBB+sf'; off RWE; Outlook Stable
Class D (ISIN ES0345783049): upgraded to 'BBBs' from 'BBsf'; off RWE; Outlook Positive

Hipocat 9

Class A2a (ISIN ES0345721015): upgraded to 'A+sf' from 'Asf'; off RWE; Outlook Stable
Class A2b (ISIN ES0345721023): upgraded to 'A+sf' from 'Asf'; off RWE; Outlook Stable
Class B (ISIN ES0345721031): upgraded to 'Asf' from 'BB+sf'; off RWE; Outlook Positive
Class C (ISIN ES0345721049): upgraded to 'BB+sf' from 'CCCs'; off RWE; Outlook Positive; Recovery Estimate (RE) revised to NC (not calculated) from 100%
Class D (ISIN ES0345721056): affirmed at 'CCs'; off RWE; RE revised to 80% from 15%
Class E (ISIN ES0345721064): affirmed at 'Cs'; off RWE; RE 0%

Hipocat 10

Class A2 (ISIN ES0345671012): upgraded to 'A+sf' from 'Bsf'; off RWE; Outlook Stable
Class A3 (ISIN ES0345671020): upgraded to 'A+sf' from 'Bsf'; off RWE; Outlook Stable
Class B (ISIN ES0345671046): upgraded to 'Bsf' from 'CCs'; off RWE; Outlook Positive; RE revised to NC from 10%
Class C (ISIN ES0345671053): affirmed at 'CCs'; off RWE; RE 0%
Class D (ISIN ES0345671061): affirmed at 'Cs'; off RWE; RE 0%

Hipocat 11

Class A2 (ISIN ES0345672010): affirmed at 'CCCs'; off RWE; RE revised to 95% from 100%;
Class A3 (ISIN ES0345672028): affirmed at 'CCCs'; off RWE; RE revised to 95% from 100%;
Class B (ISIN ES0345672036): affirmed at 'CCs'; off RWE; RE 0%
Class C (ISIN ES0345672044): affirmed at 'CCs'; off RWE; RE 0%
Class D (ISIN ES0345672051): affirmed at 'Cs'; off RWE; RE 0%

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Additional information is available on www.fitchratings.com

Applicable Criteria

European RMBS Rating Criteria (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018676>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds - Excel File (pub. 02 Feb 2018)

(<https://www.fitchratings.com/site/re/10018863>)

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 Country Risk Rating Criteria (pub. 18 Sep 2017) (<https://www.fitchratings.com/site/re/903496>)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 02 Feb 2018) (<https://www.fitchratings.com/site/re/10018549>)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

(<https://www.fitchratings.com/site/dodd-frank-disclosure/10027775>)

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