

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 **Fitch Ratings** (“Fitch”), con fecha 10 de agosto de 2021, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A2: A- (sf)** (anterior **BBB+ (sf)**)

Asimismo, Fitch ha afirmado las calificaciones asignadas las restantes Series de Bonos emitidos por el Fondo:

- **Serie B: CCsf**
- **Serie C: CCsf**
- **Serie D: Csf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 6 de septiembre de 2021.

10 AUG 2021

Fitch Takes Multiple Actions on 3 Hipocat RMBS

Fitch Ratings - Madrid - 10 Aug 2021: Fitch Ratings has taken multiple rating actions on three Hipocat RMBS in Spain, including the removal from Rating Watch Positive (RWP) of one tranche and the upgrades of three tranches. A full list of rating actions is below.

Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Hipocat 11, FTA				
• Class A2 LT ES0345672010	A-sf	●	Upgrade	BBB+sf ●
• Class B LT ES0345672036	CCsf		Affirmed	CCsf
• Class C LT ES0345672044	CCsf		Affirmed	CCsf
• Class D LT ES0345672051	Csf		Affirmed	Csf
Hipocat 9, FTA				

ENTITY/DEBT	RATING		RECOVERY		PRIOR
Class A2a LT ES0345721015		A+sf 	Affirmed		A+sf 
Class A2b LT ES0345721023		A+sf 	Affirmed		A+sf 
Class B LT ES0345721031		A+sf 	Affirmed		A+sf 
Class C LT ES0345721049		A+sf 	Upgrade		Asf 
Class D LT ES0345721056		BBsf 	Upgrade		B-sf 
Class E LT ES0345721064		Csf	Affirmed		Csf
Hipocat 10, FTA					
Class A2 LT		A+sf 	Affirmed		A+sf 

ENTITY/DEBT	RATING		RECOVERY	PRIOR
ES0345671012				
• Class B LT ES0345671046	BB+sf	●	Affirmed	BB+sf ●
• Class C LT ES0345671053	CCsf		Affirmed	CCsf
• Class D LT ES0345671061	Csf		Affirmed	Csf

RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◆
NEGATIVE	⊖	◆
EVOLVING	⊙	◆
STABLE	●	

Transaction Summary

The transactions consist of mortgages originated in Spain by Catalunya Banc S.A. (now part of Banco Bilbao Vizcaya Argentaria, S.A., BBVA; BBB+/Stable/F2). The loans are serviced by BBVA.

KEY RATING DRIVERS

Stable Performance; Additional Stresses Removed

The rating upgrades, resolution of the RWP and assignment of the Stable Outlook reflect the broadly stable asset performance outlook driven by a low share of loans in payment holiday schemes, a low share of loans in arrears over 90 days (less than 1% of the current portfolio balance) and the improved macro-economic outlook for Spain as described in Fitch's latest Global Economic Outlook dated June

2021.

The rating analysis reflects the removal of the additional stresses in relation to the coronavirus outbreak and legal developments in Catalonia as announced on 22 July 2021. See "Fitch Retires EMEA RMBS Coronavirus Additional Stress Scenario Analysis, Except UK Non-Conforming", "Fitch Retires Additional Stress Scenario Analysis for Spanish RMBS Linked to Catalonia Decree Law", and "Fitch Places or Maintains 121 EMEA RMBS Ratings on RWP on Additional Stress Scenario Retirement" available at www.fitchratings.com.

Credit Enhancement (CE) Trends

The affirmations and upgrades reflect Fitch's view that the notes are sufficiently protected by credit enhancement (CE) to absorb the projected losses commensurate with prevailing and higher rating scenarios.

Fitch expects CE for all transactions to continue increasing due to the prevailing sequential amortisation of the notes that becomes mandatory after the portfolio balance is less than 10% of its initial balance (now at around 14% across the three transactions). The negative CE ratios on Hipocat 10 class C and D, and Hipocat 11 class B to D notes are reflected in the deep sub-investment grade ratings of the notes.

Payment Interruption Risk

Fitch views the three transactions as being exposed to payment interruption risk in the event of a servicer disruption, as in scenarios of economic stress we expect the available reserve funds (partially funded for Hipocat 9 and fully depleted for Hipocat 10 and Hipocat 11) to be insufficient to cover senior fees, net swap payments and senior notes' interest during a period of time needed to implement alternative servicing arrangements. The notes' maximum achievable ratings are commensurate with the 'Asf' category, in line with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

Interest Deferability Caps Ratings

Consistent with the principles of Fitch's Global Structured Finance Rating Criteria, the maximum achievable rating of Hipocat 10 and 11 class B to D notes is 'BB+sf', reflecting the non-reversible interest deferability on the notes driven by the large volume of gross cumulative defaults that exceeded the contractually defined thresholds. Interest payments on these notes will only resume after full amortisation of the senior notes.

Hipocat 9 and Hipocat 10 have an Environmental, Social and Governance (ESG) Relevance Score of 5 for Transaction & Collateral Structure due to unmitigated payment interruption risk.

Hipocat 11 has an ESG Relevance Score of 4 for Transaction & Collateral Structure due to unmitigated payment interruption risk.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Increase in CE as the transactions deleverage to fully compensate the credit losses and cash flow stresses that are commensurate with higher rating scenarios, all else being equal.

- For Hipocat 9 and Hipocat 10 class A notes, improved liquidity protection against a servicer disruption event. This is because the ratings are capped at 'A+sf', driven by an unmitigated payment interruption risk.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Erosion of macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. CE cannot fully compensate the credit losses and cash flow stresses associated with the current rating scenarios, all else being equal.

Best/Worst Case Rating Scenario

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC 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. 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' 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 any 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.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Because the latest loan-by-loan portfolio data for the three transactions sourced from European Data Warehouse did not include information about "maximum balance" of the loans that permit further drawdowns, Fitch assumed each loan to exercise the full drawdown capability up to the permitted maximum equivalent to an 80% original loan-to value ratio.

ESG Considerations

Hipocat 9 and Hipocat 10 have an Environmental, Social and Governance (ESG) Relevance Score of 5 for Transaction & Collateral Structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the ratings, resulting in lower ratings of at least one notch.

Hipocat 11 has an ESG Relevance Score of 4 for Transaction & Collateral Structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the rating in combination with other factors.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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Applicable Criteria

[European RMBS Rating Criteria \(pub.19 Jul 2021\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub.24 Mar 2021\) \(including rating assumption sensitivity\)](#)

[New Asset SF Rating Criteria Addendum \(pub.01 Jul 2021\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub.29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub.29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub.23 Sep 2020\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub.13 Nov 2020\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.10.0 [\(1\)](#)

ResiGlobal Model: Europe, v1.7.1 [\(1\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Hipocat 10, FTA EU Issued, UK Endorsed

Hipocat 11, FTA EU Issued, UK Endorsed

Hipocat 9, FTA EU Issued, UK Endorsed

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