

**Hecho Relevante de HIPOCAT 11 Fondo de Titulización de Activos**

Se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings**, con fecha 26 de agosto de 2016, comunica que ha confirmado la calificación crediticia de las siguientes Series de Bonos emitidos por **HIPOCAT 11 Fondo de Titulización de Activos**:

- **Serie A2:** CCC
- **Serie A3:** CCC
- **Serie B:** CC
- **Serie C:** CC
- **Serie D:** C

Adjuntamos las comunicaciones emitidas por Fitch Ratings.

Barcelona, 30 de agosto de 2016

Javier García García  
*Director General*



## Fitch Takes Rating Action on Hipocat RMBS Series

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Fitch Ratings, London, 26 August 2016: Fitch Ratings has upgraded five tranches of the Hipocat series and affirmed 22 others. The six RMBS transactions were originated and are serviced by Catalunya Banc (now part of BBVA Group; A-/Stable/F2). A full list of rating actions is available at [www.fitchratings.com](http://www.fitchratings.com) or by clicking the link above.

#### KEY RATING DRIVERS

##### Improving Asset Performance

The improved macroeconomic environment in Spain has meant that fewer borrowers are falling into early-stage arrears. With late stage arrears rolling through to default, the transactions continue to report a decline in three months plus arrears. As of end-June 2016 loans in arrears by more than 90 days stood at between 2% (Hipocat 7) and 4% (Hipocat 11), down from between 3.5% (Hipocat 6) and 7.7% (Hipocat 11) in June 2015. These numbers remain above the Spanish Prime Index average of 0.8%. The volume of cumulative defaults currently ranges between 0.9% (Hipocat 6) and 23.9% (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 132 months (Hipocat 11) and 186 months (Hipocat 6), and stable macroeconomic conditions. This expectation is reflected in the affirmation of the notes.

The solid performance combined with growing credit enhancement has also led Fitch to upgrade the senior notes of Hipocat 9, the B notes of Hipocat 7 and senior notes of Hipocat 8 and to revise the Outlook and Recovery Estimates of some junior notes in Hipocat 8 and 9.

##### 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 in a rising Euribor scenario. While for Hipocat 7 the level of cash reserve is currently sufficient, the senior notes may be exposed to payment interruption risk if further draws on the reserve fund take place, given there are no structural mitigants to cover for a disruption to the collection process. Fitch has therefore revised the Outlook to Negative to reflect the potential downgrade if this risk materialises.

In the other transactions, payment interruption risk is not mitigated due to fully depleted cash reserves. As Catalunya Banc is now part of the BBVA Group, the notes exposed to payment interruption can achieve a maximum rating of 'A+sf'.

##### High Deficiency Ledgers

The principal deficiency ledgers (PDL) have remained broadly unchanged in Hipocat 8 at EUR16.4m (as of May 2016) and have slightly increased for Hipocat 9, 10 and 11 to between EUR22.8m (Hipocat 9 as of June 2016) and EUR137.1m (Hipocat 11 as of May 2016) from EUR17.3m (Hipocat 9 as of June 2015) and EUR130.3m (Hipocat 11 as of May 2015). The increase is due to large flows of period defaults, low recovery income and insufficient excess spread. These factors led to the downward revision of the Recovery Estimate in Hipocat 10.

##### Exposure to Grace Periods

Borrowers may ask for grace periods for a total of up to 36 months if certain conditions are met. In accordance with Fitch's criteria the agency has made more conservative default assumptions for these loans to factor in the weaker borrower profile and found that the transactions were resilient to this stress.

#### RATING SENSITIVITIES

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. Fitch may also take negative rating action if draws on the reserve fund occur on the next payment dates and are in excess of our assumptions, as this may compromise credit protection for the junior classes and expose the senior notes of Hipocat 7 to payment interruption risk.

#### DUE DILIGENCE USAGE

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

Investor and servicer reports provided by CX Catalunya Caixa since close and until:

- June 2016 for Hipocat 6 and Hipocat 8
- April 2016 for Hipocat 7 and Hipocat 10
- July 2016 for Hipocat 9
- May 2016 for Hipocat 11

Loan-by-loan data provided by CX Catalunya Caixa and sourced from the European Data Warehouse with the following cut-off dates:

- June 2016 for Hipocat 6, Hipocat 8
- April 2016 for Hipocat 7, Hipocat 9 and Hipocat 10
- July 2016 for Hipocat 11

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

[ResiEMEA](https://www.fitchratings.com/jsp/creditdesk/ToolsAndModels.faces?context=2&detail=135)

[EMEA RMBS Surveillance Model](https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm)

[EMEA Cash Flow Model](https://www.fitchratings.com/web_content/pages/sf/emea-cash-flow-model.htm)

#### Contacts:

Lead Surveillance Analyst  
Ricardo Garcia  
Associate Director  
+44 20 3530 1749  
Fitch Ratings Limited  
30 North Colonnade  
London E14 5GN

#### Committee Chairperson

Lara Patrignani  
Senior Director  
+44 20 3530 1052

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

The reports do not necessarily have the end of the month date, they can be produced days in advance, (15, 20, 25, depending of the transaction)