

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **HIPOCAT 10, FONDO DE TITULIZACIÓN DE ACTIVOS Bajada de Calificación de Fitch a CaixaBank**

En virtud de lo establecido en el Folleto Informativo de Hipocat 10, Fondo de Titulización de Activos, se comunica el presente hecho relevante:

- El día 13 de febrero de 2012 Fitch ha rebajado la calificación crediticia de CaixaBank de F1 a F2 en su escala a corto plazo, y de A a A- a largo plazo.
- Dichas rebajas de calificación crediticia afectan al Contrato de Cuenta de Tesorería del Fondo, por lo que implican la adopción de una serie de actuaciones conforme se recoge en la documentación contractual.
- La Sociedad Gestora ha iniciado las tareas que le corresponden para que dichas actuaciones se produzcan, en la medida de lo posible, en los plazos establecidos en los documentos constitutivos del Fondo.

Barcelona, 20 de febrero de 2012

Carles Fruns Moncunill  
*Director General*



## Fitch Downgrades BBVA, Bankia & CaixaBank Following Sovereign Action

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13 Feb 2012 12:07 PM (EST)

Fitch Ratings-Barcelona/London-13 February 2012: Fitch Ratings has downgraded the Long-term Issuer Default Ratings (IDR) of Banco Bilbao Vizcaya Argentaria (BBVA) to 'A' from 'A+', Bankia, S.A. (Bankia) to 'BBB+' from 'A-', CaixaBank, S.A. (CaixaBank) to 'A-' from 'A' and Caja de Ahorros y Pensiones de Barcelona (La Caixa) to 'A-' from 'A'. With the exception of La Caixa, the Long-term IDRs have been removed from Rating Watch Negative (RWN). The Outlook on BBVA's and CaixaBank's Long-term IDR is Negative. The Outlook on Bankia's Long-term IDR is Stable as it is at the Support Rating Floor (SRF). A full list of rating actions is at the end of this comment.

The rating actions largely reflect Fitch's downgrade of the Spanish sovereign to 'A'/Negative from 'AA-' (see "Fitch Takes Rating Actions on Six Eurozone Sovereigns" and "Fitch Comments Further on Downgrade of Spain to 'A'; Outlook Negative", both dated 27 January 2012 at [www.fitchratings.com](http://www.fitchratings.com)). The Negative Outlooks on BBVA and CaixaBank mirror that on the sovereign rating.

As a result of the downgrade of the sovereign rating, Fitch has also downgraded BBVA, CaixaBank and Bankia's Support Ratings to '2' from '1' and revised their SRFs to 'BBB+' from 'A-'. The downgrade of Spain indicates a weakening of its ability to support its largest banks. However, Fitch expects the Spanish authorities to continue to show a high propensity to support these institutions.

Fitch believes there is a close link between bank and sovereign credit risk (and therefore ratings) and, it is unusual for banks to be rated above their domestic sovereigns. Banks tend to own large portfolios of domestic sovereign debt and are highly exposed to domestic counterparties, meaning profitability and asset quality are vulnerable to adverse macroeconomic and market trends. Funding access, stability and cost for domestic banks are also often closely linked to broad perceptions of sovereign risk. Fitch expects no GDP growth for Spain in 2012 and 1% growth 2013, for unemployment to remain high at around 23% and for the real estate market to remain a long-term cause for concern.

The diversification achieved through BBVA's ownership of subsidiaries in Latin America and the U.S. has helped BBVA to mitigate some of the earnings and asset quality pressures it is currently facing in Spain and positively differentiates BBVA from the more domestically-focussed Spanish banks with lower VRs. Nonetheless, in Fitch's opinion, it does not entirely mitigate the rating constraints arising from its domicile. Local regulatory scrutiny and requirements mean capital and liquidity are not fully transferable within banking groups, particularly cross border. The VRs of BBVA's largest international subsidiaries are 'a-' (BBVA Bancomer) and 'bbb+' (Compass Bancshares, Inc), still lower than BBVA.

BBVA's profitability and asset quality in Spain will continue to be affected by the weak economic environment. However, concerns relating to the bank's exposure to the stressed real estate sector in Spain are substantially mitigated as the bank will have reserved around 50% of the total exposure to the sector by end-2012 as estimated by Fitch. In the medium term, earnings from the group's diverse international retail franchise, particularly Mexico and South America, should continue to offset weak profitability in Spain and support the parent bank's overall profitability to a greater degree than domestic banks can achieve.

BBVA is making substantial efforts to boost capital and will comply with the 9% core capital requirement set by the European Banking Authority by end-June 2012. It is one of the Spanish banks that is better placed to comply with the stricter provisioning rules imposed by the Spanish Ministry of Finance. With a Fitch core capital to weighted risks ratio of 9.3% at end-2011, Fitch considers capitalisation good.

CaixaBank's extensive nationwide retail banking franchise contributes to recurring revenue generation. However, its activities are centred in Spain and the deteriorating macroeconomic outlook and challenging wholesale funding markets are likely to continue to negatively affect its

profitability and asset quality. It has less scope to mitigate these pressures than internationally diversified banks. On the other hand, its VR also considers strong capital base with an estimated Fitch core capital to weighted risks ratio of around 10.5% at end-2011. Existing reserves include EUR1.8bn of generic reserves, which will help CaixaBank to cope with the stricter provisioning requirements.

As a holding company, La Caixa's IDR and VR are mainly driven by the capacity for dividend flows from, and the risk profile of, its investments/subsidiaries. Its main investment is an 81.5% stake in CaixaBank but its debt service capacity also relies on dividend flows from, and the potential monetisation of investments held by, another subholding that owns real estate subsidiaries and stakes in utility companies. Fitch believes that the potential for lower dividend flows and higher impairments required on foreclosed assets are likely to weaken La Caixa's risk profile. A EUR1.5bn subordinated debt issue in Q411 has helped reduce the refinancing risks associated with EUR2.5bn of maturities in 2012 and Fitch understands that further refinancing initiatives are in the pipeline. La Caixa's Long-term IDR and VR remain on RWN while Fitch reassesses these risks. Any further negative rating action on La Caixa's IDR and VR is likely to be limited to one notch.

Bankia is Spain's largest domestic banking group. Its 'bb-' VR is unaffected by today's rating actions. Its VR takes into account its high risk concentration to Spain's troubled property sector, weak asset quality and the correlation of Bankia's activities with Spain's weak economy, which will continue to affect profitability and asset quality. It also considers that Bankia is highly reliant on the wholesale funding markets, faces sizeable refinancing needs in the medium term and its access to the capital markets remains difficult.

As Bankia's VR is lower than its SRF, its Long-term IDR has been downgraded to the level of its SRF ('BBB+') and reflects Fitch's opinion that there is a high likelihood that it would receive extraordinary state support, if needed. The Outlook is Stable. Bankia's SRF would likely only be downgraded if there was a multiple notch further downgrade of the Spanish sovereign rating.

The multiple-notch downgrade of the preference shares issued by BBVA and CaixaBank and any of their special purpose issuance vehicles reflect the application of Fitch's new bank regulatory capital securities rating criteria (see 'Rating Bank Regulatory Capital and Similar Securities' dated 15 December 2011 at [www.fitchratings.com](http://www.fitchratings.com)). In Spain, Fitch rates preference shares five notches below an institution's VR because it believes non-performance triggers can be relatively easily activated.

Any rating actions on BBVA's U.S. and Latin American subsidiaries will be covered in a separate comment.

The rating actions are as follows:

**BBVA:**

Long-term IDR: downgraded to 'A' from 'A+'; Outlook Negative; removed from RWN

Short-term IDR: affirmed at 'F1'; removed from RWN

VR: downgraded to 'a' from 'a+'; removed from RWN

Support Rating: downgraded to '2' from '1'; removed from RWN

SRF: revised to 'BBB+' from 'A-'; removed from RWN

Senior unsecured debt long-term rating: downgraded to 'A' from 'A+'; removed from RWN

Senior unsecured debt short-term rating and commercial paper: affirmed at 'F1'; removed from RWN

Market-lined senior unsecured securities: downgraded to 'Aemr' from 'A+emr'; removed from RWN

Subordinated debt: downgraded to 'A-' from 'A'; removed from RWN

Preference shares: downgraded to 'BB+' from 'BBB+'; removed from RWN

**BBVA Capital Finance, S.A. Unipersonal**

Preference shares: downgraded to 'BB+' from 'BBB+'; removed from RWN

**BBVA International Preferred, S.A. Unipersonal**

Preference shares: downgraded to 'BB+' from 'BBB+'; removed from RWN

BBVA Senior Finance, S.A. Unipersonal  
Senior unsecured debt long-term rating: downgraded to 'A' from 'A+'; removed from RWN  
Senior unsecured debt short-term rating: affirmed at 'F1'; removed from placed on RWN

BBVA U.S. Senior, S.A. Unipersonal  
Senior unsecured debt long-term rating: downgraded to 'A' from 'A+'; removed from RWN  
Senior unsecured debt short-term rating: affirmed at 'F1'; removed from RWN

CaixaBank, S.A.:  
Long-term IDR: downgraded to 'A-' from 'A'; Outlook Negative; removed from RWN  
Short-term IDR: downgraded to 'F2' from 'F1'; removed from RWN  
VR: downgraded to 'a-' from 'a'; removed from RWN  
Support Rating: downgraded to '2' from '1'; removed from RWN  
SRF: revised to 'BBB+' from 'A-'; removed from RWN  
Senior unsecured debt long-term rating: downgraded to 'A-' from 'A'; removed from RWN  
Senior unsecured debt short-term rating and commercial paper: downgraded to 'F2' from 'F1'; removed from RWN  
Subordinated debt: downgraded to 'BBB+' from 'A-', removed from RWN  
Preference shares and preferred stock: downgraded to 'BB' from 'BBB'; removed from RWN

La Caixa:  
Long-term IDR: downgraded to 'A-' from 'A'; maintained on RWN  
Short-term IDR: downgraded to 'F2' from 'F1'; removed from RWN  
VR: downgraded to 'a-' from 'a'; maintained on RWN  
Support Rating affirmed at '5'  
SRF affirmed at 'No floor'  
Senior unsecured debt long-term rating: downgraded to 'A-' from 'A'; maintained RWN  
Subordinated debt: downgraded to 'BBB+' from 'A-', maintained on RWN  
State-guaranteed debt: unaffected at 'A'

Bankia:  
Long-term IDR: downgraded to 'BBB+' from 'A-'; Outlook Stable; removed from RWN  
Short-term IDR affirmed at 'F2'  
Viability Rating: unaffected at 'bb-'  
Support Rating: downgraded to '2' from '1'; removed from RWN  
Support Rating Floor: revised to 'BBB+' from 'A-'; removed from RWN  
Senior unsecured debt long-term rating: downgraded to 'BBB+' from 'A-'; removed from RWN  
Senior unsecured debt short-term rating and commercial paper: affirmed at 'F2'  
Market-linked senior unsecured securities: downgraded to 'BBB+emr' from 'A-emr', removed from RWN  
State-guaranteed debt: unaffected at 'A'

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com). The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria: 'Global Financial Institutions Rating Criteria', dated 16 August 2011; 'Rating Bank Regulatory Capital and Similar Securities', dated 15 December 2011; 'Treatment of Hybrids in Bank Capital Analysis', dated 11 July 2011; and 'Bank Holding Companies' dated 16 August 2011, are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

[Global Financial Institutions Rating Criteria](#)  
[Rating Bank Regulatory Capital and Similar Securities](#)  
[Treatment of Hybrids in Bank Capital Analysis](#)  
[Bank Holding Companies](#)

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