

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 **S&P Global Rating** (“**S&P**”), con fecha 1 de agosto de 2022, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

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

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

- **Serie B: D (sf)**
- **Serie C: D (sf)**
- **Serie D: D (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 31 de agosto de 2022.

DRAFT: Hipocat 11 Class A2 Spanish RMBS Rating Raised Following Review; Class B, C, And D Ratings Affirmed

August 1, 2022

Overview

- Hipocat 11 is a Spanish RMBS transaction that closed in March 2007 and securitizes first-ranking owner-occupied mortgage credits, mainly in Catalonia. Catalunya Banc, which was formerly named Caixa Catalunya and is now part of BBVA, originated the pool.
- We raised our rating on the class A2 notes. At the same time, we affirmed our ratings on the class B, C, and D notes.

MADRID (S&P Global Ratings) August xx, 2022--S&P Global Ratings today raised to 'AA+ (sf)' from 'A+ (sf)' its credit rating on Hipocat 11, Fondo de Titulizacion de Activos' class A2 notes. At the same time, we affirmed our 'D (sf)' ratings on the class B, C, and D notes.

Today's rating actions reflect our full analysis of the most recent information that we have received and the transaction's current structural features.

After applying our global RMBS criteria, our weighted-average foreclosure frequency (WAFF) assumptions decreased because of the transaction's reduction in both the effective loan-to-value ratio and in arrears. In addition, our weighted-average loss severity (WALS) assumptions have increased due to an increase in our repossession market value decline assumptions. The reduction in our WALS is partially offset by the increase in our foreclosure cost assumptions.

Table 1

Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	21.54	38.02	8.19
AA	15.07	33.92	5.11
A	11.73	26.89	3.15
BBB	9.07	23.02	2.09
BB	6.22	20.30	1.26
B	4.22	17.75	0.75

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

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Loan-level arrears are low at 1.87%. Overall delinquencies remain well below our Spanish RMBS index (see "Related Research"). Cumulative defaults, defined as loans in arrears for 18 months or more, represent 25.12% of the closing pool balance.

Our operational and legal risk analyses remain unchanged since our previous review. Therefore, the ratings assigned are not capped by any of these criteria.

The servicer, Banco Bilbao Vizcaya Argentaria S.A. (BBVA), has a standardized, integrated, and centralized servicing platform. It is a servicer for many Spanish RMBS transactions.

Available credit enhancement has increased since our previous review as the amortization deficit--i.e., the difference between accrued and paid principal--has decreased to €62.45 million in June 2022 from €67.6 million in January 2021. The reserve fund has been fully depleted since July 2009 as it was used to provision for loans in foreclosure and in arrears over 18 months.

We also applied our counterparty criteria as part of our analysis of this transaction (see "Related Criteria"). BBVA provides the interest rate swap contract, which is in line with our previous counterparty criteria. Under our revised criteria, considering the collateral arrangement's enforceability, the maximum supported rating is 'A+', unless we delink our ratings on the notes from those on the counterparty. Our rating on the class A2 notes is delinked from the swap counterparty.

Our analysis indicates that the available credit enhancement for the class A2 notes is commensurate with a higher rating than that currently assigned. Therefore these notes could withstand stresses at a higher rating than that assigned. However, we limited our upgrade based on their overall credit enhancement and the current macroeconomic environment. We therefore raised to 'AA+ (sf)' from 'A+ (sf)' our rating on the class A2 notes. Our rating on this class of notes is not capped by our sovereign risk criteria.

The class B and C notes continue to experience ongoing interest shortfalls because of interest deferral trigger breaches and lack of excess spread in the transaction. The class D notes, which are not asset-backed, also has interest shortfalls due to the lack of excess spread. Our ratings in Hipocat 11 address the timely payment of interest and ultimate principal during the transaction's life (see "S&P Global Ratings Definitions," published on Jan. 5, 2021). We therefore affirmed our 'D (sf)' ratings on the class B, C, and D notes.

We lowered our growth forecasts for the eurozone economy. Higher inflationary pressures are the main driver of our downward revision. We now expect consumer price inflation to reach 7.0% this year and 3.4% in 2023 (from 6.4% and 3.0% forecasted previously) on the back of higher energy and food prices resulting from the current geopolitical context. Lower international demand is also expected to dampen growth. Although elevated inflation is overall credit negative for all borrowers, inevitably some borrowers will be more negatively affected than others. To the extent inflationary pressures materialize more quickly or more severely than currently expected, risks may emerge. We consider the borrowers in the transaction to be prime borrowers and as such they will generally have high resilience to inflationary pressures. The borrowers in this transaction pay fixed interest rates. As a result, we do not expect them to face near-term pressure from a rate rise perspective.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash

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Flow Analysis Of Structured Finance Securities, Dec. 22, 2020

- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009
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Related Research

- European Housing Markets: Soft Landing Ahead, July 13, 2022
- European RMBS Index Report Q1 2022, May 16, 2022
- European RMBS Outlook 2022, Jan. 27, 2022
- Economic Outlook Europe Q4 2021: A Faster-Than-Expected Liftoff, Sept. 23, 2021
- Certain Italian, Portuguese, And Spanish RMBS Ratings Placed Under Criteria Observation Due To Criteria Update, Jan. 8, 2021
- Global Criteria For Assessing Pools Of Residential Loans Updated To Include Seven European Jurisdictions, Jan. 8, 2021
- S&P Global Ratings Definitions, Jan. 5, 2021
- Hipocat 7 Spanish RMBS Transaction Ratings Raised On Three Classes; One Affirmed, June. 26, 2019
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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