

Otra Información Relevante de GAT ICO-FTVPO 1, Fondo de Titulización Hipotecaria

En virtud de lo establecido en el Folleto Informativo de **GAT ICO-FTVPO 1, Fondo de Titulización Hipotecaria** (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 6 de noviembre de 2020, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - Serie AG: AAAsf, perspectiva estable
 - Serie B (CA): AAAsf, perspectiva estable
 - Serie B (CM): AAAsf, perspectiva estable
 - Serie B (CP): AAAsf, perspectiva estable
 - Serie B (CT): AAAsf, perspectiva estable
 - Serie C (CA): Asf, perspectiva estable
 - Serie C (CM): Asf, perspectiva estable
 - Serie C (CP): Asf, perspectiva estable
 - Serie C (CT): Asf, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 23 de noviembre de 2020.



06 Nov 2020 | Affirmation

Fitch Affirms GAT ICO-FTVPO 1, FTH (GAT VPO); Outlook Stable

Fitch Ratings-Milan-06 November 2020:

Fitch Ratings has affirmed GAT ICO-FTVPO 1, FTH Spanish RMBS transaction. The Outlooks are Stable.

GAT ICO-FTVPO 1, FTH

- ----AG ES0341068007; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable
- ----B (CA) ES0341068015; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable
- ----B (CM) ES0341068023; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable
- ----B (CP) ES0341068031; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable
- ----B (CT) ES0341068049; Long Term Rating; Affirmed; AAAsf; Rating Outlook Stable
- ---- C (CA) ES0341068056; Long Term Rating; Affirmed; Asf; Rating Outlook Stable
- ---- C (CM) ES0341068064; Long Term Rating; Affirmed; Asf; Rating Outlook Stable
- ----C (CP) ES0341068072; Long Term Rating; Affirmed; Asf; Rating Outlook Stable
- ----C (CT) ES0341068080; Long Term Rating; Affirmed; Asf; Rating Outlook Stable

Transaction Summary

The transaction comprises fully amortising residential mortgages serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBB+/Stable/F2) and Banco de Sabadell, S.A. (BBB-/Stable/F3). The transaction is linked to subsidised mortgages granted to low-income borrowers fulfilling stated eligibility criteria.

KEY RATING DRIVERS

Resilient to Coronavirus Additional Stresses: The affirmations reflect our view that the notes are sufficiently protected by credit enhancement (CE) and excess spread to absorb the additional projected losses driven by the coronavirus and related containment measures, which are producing an economic recession and increased unemployment in Spain. Fitch expects structural CE to continue increasing as the transaction amortises fully sequentially.

We also consider a downside coronavirus scenario for sensitivity purposes whereby a more severe and prolonged period of stress is assumed, which accommodates a further 15% increase to the portfolio weighted average foreclosure frequency (WAFF) and a 15% decrease to the WA recovery rates (WARR) (see "EMEA RMBS: Criteria Assumptions Updated due to Impact of the Coronavirus Pandemic" at www.fitchratings.com). The Stable Outlooks on the notes reflect the ratings' resilience to the downside coronavirus sensitivity.

Withstands Catalonia Lease Stresses: The rating analysis reflects the potentially adverse effects of Catalonian Decree Law 17/2019, which allows some defaulted borrowers in the region that meet defined eligibility criteria to remain in their homes as tenants for as long as 14 years paying a low monthly rent. Around 74% of the portfolio balance is located in Catalonia. Fitch's analysis has accounted for a longer recovery timing on future loan defaults in Catalonia that ranges between 72 and 96 months under 'Bsf' and 'AAAsf' rating stresses, respectively. This compares with 48 and 60 months applicable to other regions (see "Spain RMBS: Criteria Assumptions Updated Due to Decree Law in Catalonia" at www.fitchratings.com).

Moreover, to address the regional concentration risk to Catalonia, higher rating multiples are applied to the base foreclosure frequency assumption to the portion of the portfolio that exceeds two and a half times the population share of this region relative to the national count, in line with Fitch's European RMBS rating criteria.

Stable Asset Performance: The transaction continues to show sound asset performance. Three-months plus arrears (excluding defaults) are less than 1% of current pool balance, and cumulative defaults (loans in arrears by more than 12 months) are around 1.3% of the initial portfolio balance at the latest reporting period. As around 42% of the portfolio balance is linked to subsidised mortgages, Fitch's credit analysis captures a higher probability of default to such borrowers to reflect the possibility of subsidy interruption risk.

Excessive Counterparty Exposure (ECE): The class C note's rating is capped at 'Asf', equivalent to the SPV account bank provider's deposit rating (Societe Generale S.A., A-/Stable/F1). The rating cap reflects the excessive counterparty dependency on the SPV account bank holding the cash reserve, as the sudden loss of these funds would imply a downgrade of 10 or more notches of the notes in accordance with Fitch's criteria.

RATING SENSITIVITIES

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

For the class C notes, an upgrade of the SPV account bank's long-term deposit rating could trigger a corresponding change to the notes' rating. This because the notes' rating is capped at the bank rating, given the excessive counterparty risk exposure.

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

A longer-than-expected coronavirus crisis that weakens macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case and downside sensitivity. Insufficient CE to fully compensate the credit losses and cash flow stresses associated with the current ratings scenarios.

For the class A and B notes, a downgrade of Spain's Long-Term Issuer Default Rating (IDR) that could reduce the maximum achievable rating for Spanish structured finance transactions. This because these notes are capped at the 'AAAsf' maximum achievable rating in Spain, six notches above the sovereign IDR.

For the class C notes, a downgrade of the SPV account bank's long-term deposit rating could trigger a corresponding change to the notes' rating. This because the notes' rating is capped at the bank rating given

the excessive counterparty risk exposure.

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 transaction. 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 transaction' initial closing. The subsequent performance of the transaction 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.

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 loan-by-loan portfolio data sourced from the European Data Warehouse did not contain information about subsidised houses in the portfolio, Fitch assumed the proportion of subsidies houses remains at 100% of the portfolio current balance, identical to the proportion as of the closing date. Despite such data adjustment, the data was considered to be adequate for the rating analysis as it captures the risky attributes of the portfolio.

FSG Considerations

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. 22 May 2020) (including rating assumption sensitivity)

<u>Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds (Excel) (pub. 06 Dec 2019)</u>

Global Structured Finance Rating Criteria (pub. 17 Jun 2020) (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. 06 Dec 2019)

Applicable Model

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

Multi-Asset Cash Flow Model, v2.9.0 (1)
ResiGlobal Model: Europe, v1.6.4 (1)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Status

Endorsement Policy

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