

Otra Información Relevante de**HIPOCAT 8 FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **HIPOCAT 8 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 Ratings** (“**S&P**”), con fecha 29 de abril de 2021, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:
 - **Serie C: AA (sf)** (anterior **A (sf)**)
 - **Serie D: A- (sf)** (anterior **BBB- (sf)**)

Asimismo, Moody’s ha confirmado las calificaciones asignadas a las siguientes Serie de Bonos:

- **Serie A2: AAA (sf)**
- **Serie B: AAA (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 4 de mayo de 2021.

Hipocat 8 Spanish RMBS Ratings Raised On Two Classes Following Criteria Revision; Two Classes Affirmed

April 29, 2021

Overview

- We have reviewed Hipocat 8 following the expansion of the global RMBS criteria's scope to include Spain, among other countries.
- We have raised our ratings on the class C and D notes. At the same time, we have affirmed our ratings on the class A2 and B notes.
- Hipocat 8 is a Spanish RMBS transaction, which closed in May 2005 and securitizes first-ranking mortgage loans. Catalunya Banc, now part of BBVA (formerly named Catalunya Caixa), originated the pool, which comprises loans secured over owner-occupied properties, mainly located in Catalonia.

MADRID (S&P Global Ratings) April 29, 2021--S&P Global Ratings today raised to 'AA (sf)' from 'A (sf)' and to 'A- (sf)' from 'BBB- (sf)' its credit ratings on Hipocat 8, Fondo de Titulizacion de Activos' class C and D notes, respectively. At the same time, we have affirmed our 'AAA (sf)' ratings on the class A2 and B notes.

Today's rating actions follow the implementation of our revised criteria and assumptions for assessing pools of Spanish residential loans (see "Related Criteria"). They also reflect our full analysis of the most recent information that we have received and the transaction's current structural features.

Upon expanding our global RMBS criteria to include Spanish transactions, we placed our ratings on the class C and D notes under criteria observation. Following our review of the transaction's performance and the application of our updated criteria for rating Spanish RMBS transactions, the ratings are no longer under criteria observation.

Our weighted-average foreclosure frequency (WAFF) assumptions have decreased due to the calculation of the effective loan-to-value (LTV) ratio (68.46%), which is based on 80% original LTV (OLTV) ratio and 20% current LTV (CLTV) ratio. Under our previous criteria, we used only the OLTV ratio (71.17% as of the latest review). Our WAFF assumptions also declined because of the transaction's decrease in arrears. In addition, our weighted-average loss severity (WALS) assumptions have decreased due to lower market value declines. The reduction in our WALS is partially offset by the increase in our foreclosure cost assumptions.

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Table 1

Credit Analysis Results

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	14.50	18.75	2.72
AA	10.27	15.68	1.61
A	8.14	10.39	0.85
BBB	6.46	7.79	0.50
BB	4.68	6.06	0.28
B	3.43	4.53	0.16

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

Loan-level arrears are low at 1.97%. Overall delinquencies remain well below our Spanish RMBS index (see "Related Research"). The outstanding balance of defaults, defined as loans in arrears for a period equal to or greater than 18 months, and loans undergoing foreclosure proceedings represent 1.34% of the outstanding pool balance.

Our analysis also considers the transaction's sensitivity to the potential repercussions of the coronavirus outbreak. Of the pool, 4.45% of loans are on payment holidays under the Spanish sectorial moratorium schemes, and the proportion of loans with either legal or sectorial payment holidays has remained lower than the market average, which is about 5%. In our analysis, we considered the potential effect of this extension and the liquidity and default risk the payment holidays could present should they become arrears in the future.

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.

Credit enhancement available in Hipocat 8 has decreased since our previous review because the reserve fund, which was replenished to its target level in September 2020, met all the amortization conditions on December 2020's interest payment date (IPD). Therefore, it amortized to its floor level of €11.25 million, resulting in a significant decrease of credit enhancement. The reserve fund was fully depleted from December 2013 to January 2018 as it was used to provision for loans in foreclosure and in arrears over 18 months.

The notes have been amortizing on a pro rata basis since the December 2020 IPD, when all the pro rata conditions were met following the replenishment of the reserve fund to its target level.

We have 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. As per 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 ratings on the class A2, B, and C notes are delinked from the swap counterparty.

Our credit and cash flow results indicate that the credit enhancement available for the class A2 and class B notes is commensurate with our 'AAA' rating. We have therefore affirmed our 'AAA' (sf) ratings on the class A2 and B notes.

We have raised to 'AA (sf)' from 'A (sf)' and to 'A- (sf)' from 'BBB- (sf)' our ratings on the class C and

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D notes, respectively. These notes could withstand stresses at a higher rating than the ratings assigned. However, we have limited our upgrades based on their overall credit enhancement, their position in the waterfall, and the deterioration in the macroeconomic environment. In addition, the most junior tranches are expected to have a longer duration than the senior tranches, meaning that they are more vulnerable to tail-end risk. We also consider that the ratings assigned to the class D notes can be delinked from the swap.

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash 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

Related Research

- Economic Outlook Europe Q2 2021: The Path To A Strong Restart, March 25, 2021
- This Time, Europe Is Set To Stage A Jobs-Rich Recovery, March 16, 2021
- Europe's Housing Market Will Chill In 2021 As Pent-Up Pandemic Demand Eases, Feb. 22, 2021

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- European RMBS Outlook 2021, Jan. 25, 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
- European RMBS Index Report Q3 2020, Dec. 11, 2020
- Hipocat 8 Class C And D Ratings Raised, Class A2 And B Ratings Affirmed Following Review, Oct. 30, 2020
- Residential Mortgage Market Outlooks Updated For 13 European Jurisdictions Following Revised Economic Forecasts, May 1, 2020
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- 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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