

Hecho Relevante de

HIPOCAT 9 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **HIPOCAT 9 FONDO DE TITULIZACIÓN DE ACTIVOS** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

La Agencia de Calificación **Standard & Poor's Global Ratings ("S&P")**, con fecha 21 de junio de 2018, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A2a:** **A- sf** (anterior **BBB- sf**, perspectiva positiva)
- **Serie A2b:** **A- sf** (anterior **BBB- sf**, perspectiva positiva)
- **Serie B:** **BBB- sf** (anterior **BB- sf**, perspectiva positiva)

Asimismo, S&P ha confirmado las calificaciones asignadas a las restantes Series de Bonos:

- **Serie C:** **CC sf**
- **Serie D:** **D sf**

Se adjunta la comunicación emitida por S&P.

Madrid, 22 de junio de 2018.

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Apoderado

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S&P Global

Ratings

(/en_US/web/guest/home)

Ratings Raised On Hipocat 9's Class A2a, A2b, And B Spanish RMBS Notes; Other Ratings Affirmed

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OVERVIEW

On March 23, 2018, we raised our unsolicited long-term sovereign rating on Spain to 'A-' from 'BBB+'.

On April 17, 2018, we revised our outlook assumptions for the Spanish residential mortgage market to benign to reflect the improved Spanish residential mortgage and real estate market, and lowered our projected losses at the 'B' rating level for the archetypal Spanish pool.

On April 24, 2018, we placed on CreditWatch positive our ratings on Hipocat 9's class A2a, A2b, and B notes, as we needed to conduct a full analysis to determine the impact of these recent events.

Following our review of this transaction under our relevant criteria, we have raised our ratings on the class A2a, A2b, and B notes and resolved our CreditWatch placements.

At the same time, we have affirmed our 'CC (sf)' and 'D (sf)' ratings on the class C and D notes, respectively.

Hipocat 9 is a Spanish RMBS transaction that closed in November 2005 and securitizes first-ranking mortgage credits. Catalunya Banc (formerly named Caixa Catalunya and now part of BBVA) originated the pool, which comprises credits secured over owner-occupied properties, mainly in Catalonia.

MADRID (S&P Global Ratings) June 21, 2018--S&P Global Ratings today raised and removed from CreditWatch positive its credit ratings on Hipocat 9, Fondo de Titulizacion de Activos' class A2a, A2b, and B notes. At the same time, we affirmed our ratings on the class C and D notes (see list below).

Today's rating actions follow the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and reflect the transaction's current structural features (see "Related Criteria"). We have also considered our updated outlook assumptions for the Spanish residential mortgage market (see "Outlook Assumptions For The Spanish Residential Mortgage Market (/en_US/web/guest/article/-/view/sourceId/10501493)," published on April 17, 2018).

Our structured finance ratings above the sovereign (RAS) criteria classify the sensitivity of this transaction as moderate (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/9748207)," published on Aug. 8, 2016). Therefore, after our March 23, 2018, upgrade of Spain to 'A-' from 'BBB+', the highest rating that we can assign to the senior-most tranche in this transaction is six notches above the Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met (see "Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive (/en_US/web/guest/article/-/view/sourceId/10478992)"). For all the other tranches, the highest rating that we can assign is four notches above the sovereign rating.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans (/en_US/web/guest/article/-/view/sourceId/10154538)," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign. Therefore, we revised our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level to 0.9% from 1.6%, in line with table 87 of our European residential loans criteria, by lowering our foreclosure frequency assumption to 2.00% from 3.33% for the archetypal pool at the 'B' rating level (see "Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans (/en_US/web/guest/article/-/view/sourceId/10496083)," published on April 17, 2018).

After applying our European residential loans criteria to this transaction, the overall effect in our credit analysis results is a decrease in the required credit coverage for 'AA' to 'B' rating levels compared with our previous review, mainly driven by our revised foreclosure frequency assumptions (see "Various Rating Actions Taken In Spanish RMBS Transaction Hipocat 9 Following Review (/en_US/web/guest/article/-/view/sourceId/10194279)," published on Aug. 7, 2017). The credit coverage for the 'AAA' rating level has increased in comparison with the previous review due to the increase in the 'AAA' repossession market value decline.

Rating level	WAFF (%)	WALS (%)
AAA	23.73	39.31
AA	16.42	34.11
A	12.49	25.38
BBB	9.31	20.51
BB	6.23	17.07
B	3.82	13.90

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

Credit enhancement available in Hipocat 9 has increased since our previous review as the amortization deficit, i.e., the difference between accrued and paid principal, has decreased. As of April 2017, the amortization deficit was €22.39 million, which decreased to €6.56 million in April 2018. The reserve fund has been fully depleted since July 2010 as it was used to provision for loans in foreclosure and in arrears over 18 months. In November, the servicer, Banco Bilbao Vizcaya Argentaria S.A. (BBVA), acquired about €4.06 million of repossessed properties from the fund. Cash flows from the sale of these properties contributed to the decrease in the amortization deficit. In addition, according to the trustee, during 2017, recoveries from defaulted assets contributed to narrowing the gap between assets and liabilities in this transaction.

Following the application of our criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

In reviewing our ratings on the class A2a, A2b, and B notes, in addition to applying our credit and cash flow analysis, which considered various recovery assumptions for the defaulted assets, we have considered their position in the capital structure, their sensitivity to the various recovery assumptions, and the scope of the improvement in credit enhancement since our previous review. We have therefore raised to 'A- (sf)' from 'BBB- (sf)' and removed from CreditWatch positive our ratings on the class A2a and A2b notes. At the same time, we raised to 'BBB- (sf)' from 'BB- (sf)' and removed from CreditWatch positive our rating on the class B notes. Our ratings on the class A2a, A2b, and B notes are not capped by our RAS analysis as the current ratings on these classes of notes are below our unsolicited issuer credit rating on Spain.

Due to the negative reference index (three-month Euro Interbank Offered Rate [EURIBOR]), the coupon accrued by the class C notes is zero. Therefore, this class of notes has not missed any timely interest payments to date, despite the fact that interest on this class was deferred after senior class principal amortization in the priority of payments. However, under our criteria for assigning 'CCC' category ratings, we rate an issue 'CC' when we expect default to be a virtual certainty, regardless of the time to default (see "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings (/en_US/web/guest/article/-/view/sourceId/7554329)," published on Oct. 1,

2012). Given the insufficiency of available resources, we expect that the class C notes will default even under the most optimistic collateral performance scenario because the default will be due to interest rate movement. Therefore, we have affirmed our 'CC (sf)' rating on the class C notes.

The class D notes continue to experience ongoing interest shortfalls because of an interest deferral trigger breach and lack of excess spread in the transaction. Our ratings in Hipocat 9 address the timely payment of interest and ultimate principal during the transaction's life (see "General Criteria: Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings (/en_US/web/guest/article/-/view/sourceId/8097062)," published on Oct. 24, 2013). We have therefore affirmed our 'D (sf)' rating on the class D notes.

Hipocat 9 is a Spanish residential mortgage-backed securities (RMBS) transaction that closed in November 2005 and securitizes first-ranking mortgage credits. Catalunya Banc, which was formerly named Caixa Catalunya and is now part of BBVA, originated the pool. The pool comprises credits secured over owner-occupied properties, mainly in Catalonia.

RELATED CRITERIA

Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans (/en_US/web/guest/article/-/view/sourceld/10154538), Aug. 4, 2017

Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology (/en_US/web/guest/article/-/view/sourceld/9733017), March 29, 2017

Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/9748207), Aug. 8, 2016

Criteria - Structured Finance - General: Structured Finance Temporary Interest Shortfall Methodology (/en_US/web/guest/article/-/view/sourceld/9404717), Dec. 15, 2015

Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD (/en_US/web/guest/article/-/view/sourceld/9049216), March 2, 2015

Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions (/en_US/web/guest/article/-/view/sourceld/8737366), Oct. 9, 2014

General Criteria: Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings (/en_US/web/guest/article/-/view/sourceld/8097062), Oct. 24, 2013

General Criteria: Methodology Applied To Bank Branch-Supported Transactions (/en_US/web/guest/article/-/view/sourceld/8130806), Oct. 14, 2013

Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/7157027), June 25, 2013

Criteria - Structured Finance - General: Global Derivative Agreement Criteria (/en_US/web/guest/article/-/view/sourceld/8058839), June 24, 2013

General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings (/en_US/web/guest/article/-/view/sourceld/7554329), Oct. 1, 2012

Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications (/en_US/web/guest/article/-/view/sourceld/7430465), July 12, 2012

General Criteria: Methodology: Credit Stability Criteria (/en_US/web/guest/article/-/view/sourceld/5961504), May 3, 2010

General Criteria: Use Of CreditWatch And Outlooks (/en_US/web/guest/article/-/view/sourceld/5612636), Sept. 14, 2009

Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment (/en_US/web/guest/article/-/view/sourceld/5428209), May 28, 2009

RELATED RESEARCH

Spanish RMBS Index Report Q1 2018, (/en_US/web/guest/article/-/view/sourceld/10550195) May 24, 2018
 Ratings On 213 Tranches In 82 Spanish RMBS Transactions Placed On
 CreditWatch Positive (/en_US/web/guest/article/-/view/sourceld/10515506), April 24, 2018
 Outlook Assumptions For The Spanish Residential Mortgage Market (/en_US/web/guest/article/-/view/sourceld/10501493), April
 17, 2018
 Guidance: Methodology And Assumptions: Assessing Pools Of European
 Residential Loans (/en_US/web/guest/article/-/view/sourceld/10496083), April 17, 2018
 Reduced Funding Risks Lead To Upgrades At Several Spanish Banks (/en_US/web/guest/article/-/view/sourceld/10497833), April 6,
 2018
 Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary
 Consolidation; Outlook Positive (/en_US/web/guest/article/-/view/sourceld/10478992), March 23, 2018
 Various Rating Actions Taken In Spanish RMBS Transaction Hipocat 9
 Following Review (/en_US/web/guest/article/-/view/sourceld/10194279), Aug. 7, 2017
 2017 EMEA RMBS Scenario And Sensitivity Analysis (/en_US/web/guest/article/-/view/sourceld/10156650), Jul
 y 6, 2017
 Global Structured Finance Scenario And Sensitivity Analysis 2016: The
 Effects Of The Top Five Macroeconomic Factors (/en_US/web/guest/article/-/view/sourceld/9913417), Dec. 1
 6, 2016
 European Structured Finance Scenario And Sensitivity Analysis 2016: The
 Effects Of The Top Five Macroeconomic Factors (/en_US/web/guest/article/-/view/sourceld/9914948), Dec. 1
 6, 2016

RATINGS LIST

Class	Rating	To	From
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Hipocat 9, Fondo de Titulizacion de Activos
 €1.016 Billion Residential Mortgage-Backed Floating-Rate Notes

Ratings Raised And Removed From CreditWatch Positive

A2a	A- (sf)		BBB- (sf)/Watch Pos
A2b	A- (sf)		BBB- (sf)/Watch Pos
B	BBB- (sf)		BB- (sf)/Watch Pos

Ratings Affirmed

C	CC (sf)		
D	D (sf)		

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