

**Otra Información 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 la presente información relevante:

La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 20 de julio de 2022, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A2a:** **A+sf**
- **Serie A2b:** **A+sf**
- **Serie B:** **A+sf**
- **Serie C:** **A+sf**
- **Serie E:** **Csf**

Asimismo, Fitch ha elevado la calificación de la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie D:** **BB+sf** (anterior, **BBsf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 27 de julio de 2022.



## RATING ACTION COMMENTARY

# Fitch Upgrades 2 Tranches of 3 Hipocat RMBS Series; Affirms Others

Wed 20 Jul, 2022 - 8:55 ET

Fitch Ratings - Madrid - 20 Jul 2022: Fitch Ratings has taken multiple rating actions on three Spanish Hipocat RMBS transactions, including upgrading two tranches. All Outlooks are Stable. A full list of rating actions is below.

## RATING ACTIONS

| ENTITY / DEBT ↕          | RATING ↕ |                           | PRIOR ↕                               |
|--------------------------|----------|---------------------------|---------------------------------------|
| Hipocat 11, FTA          |          |                           |                                       |
| Class A2<br>ES0345672010 | LT       | Asf Rating Outlook Stable | Upgrade<br>A-sf Rating Outlook Stable |
| Class B<br>ES0345672036  | LT       | CCsf Affirmed             | CCsf                                  |

|                           |    |  |          |                                  |
|---------------------------|----|--|----------|----------------------------------|
| Class C<br>ES0345672044   | LT | CCsf                                   | Affirmed | CCsf                             |
| Class D<br>ES0345672051   | LT | Csf                                    | Affirmed | Csf                              |
| Hipocat 9, FTA            |    |  |          |                                  |
| Class A2a<br>ES0345721015 | LT | A+sf Rating Outlook Stable<br>Affirmed |          | A+sf Rating<br>Outlook<br>Stable |
| Class A2b<br>ES0345721023 | LT | A+sf Rating Outlook Stable<br>Affirmed |          | A+sf Rating<br>Outlook<br>Stable |
| Class B<br>ES0345721031   | LT | A+sf Rating Outlook Stable<br>Affirmed |          | A+sf Rating<br>Outlook<br>Stable |
| Class C<br>ES0345721049   | LT | A+sf Rating Outlook Stable<br>Affirmed |          | A+sf Rating<br>Outlook<br>Stable |
| Class D<br>ES0345721056   | LT | BB+sf Rating Outlook Stable<br>Upgrade |          | BBsf Rating<br>Outlook<br>Stable |
| Class E<br>ES0345721064   | LT | Csf                                    | Affirmed | Csf                              |
| Hipocat 10, FTA           |    |  |          |                                  |

|                          |    |                             |          |                                   |
|--------------------------|----|-----------------------------|----------|-----------------------------------|
| Class A2<br>ES0345671012 | LT | A+sf Rating Outlook Stable  |          | A+sf Rating<br>Outlook<br>Stable  |
|                          |    | Affirmed                    |          |                                   |
| Class B<br>ES0345671046  | LT | BB+sf Rating Outlook Stable |          | BB+sf Rating<br>Outlook<br>Stable |
|                          |    | Affirmed                    |          |                                   |
| Class C<br>ES0345671053  | LT | CCsf                        | Affirmed | CCsf                              |
| Class D<br>ES0345671061  | LT | Csf                         | Affirmed | Csf                               |

#### [VIEW ADDITIONAL RATING DETAILS](#)

### TRANSACTION SUMMARY

The transactions comprise mortgages serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA, BBB+/Stable/F2)

### KEY RATING DRIVERS

**Stable Asset Performance:** The rating actions reflect the broadly stable asset performance outlook driven by a low share of loans in arrears over 90 days (less than 0.5% for all three transactions) and high portfolio seasoning of more than 17 years. However, downside performance risk has increased as the recent rise in inflation may put pressure on household financing, especially for more vulnerable borrowers like self-employed individuals. To capture this downside risk into the analysis, Fitch has constrained the upgrade of Hipocat 9 class D and Hipocat 11 class A notes to one notch below their model-implied ratings.

**Credit Enhancement (CE) Increased:** The upgrades of the class D and A notes of Hipocat 9 and 11, respectively, and the affirmation of the rest of the notes reflect Fitch's view that the notes are sufficiently protected by CE of 64.9%, 49.2% and 20.5% for Hipocat 9, Hipocat 10 and Hipocat 11, respectively, for most senior classes to absorb the projected losses commensurate with current and higher ratings.

Fitch expects CE for all transactions to continue increasing due to the sequential amortisation of the notes that becomes mandatory after the portfolio balance is less than 10% of its initial balance (now at around 12% across the three transactions). The negative CE ratios on Hipocat 10's class C and D notes, and Hipocat 11's class B to D notes are reflected in the low sub-investment-grade ratings of the notes.

**Payment Interruption Risk:** Fitch views the three transactions as being exposed to payment interruption risk in the event of a servicer disruption, where we expect the available reserve funds (partially funded for Hipocat 9 and fully depleted for Hipocat 10 and Hipocat 11) to be insufficient to cover senior fees, net swap payments and senior notes' interest during the period of time needed to implement alternative servicing arrangements. The notes' maximum achievable ratings are 'A+sf', in line with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

**Interest Deferability Caps Ratings:** Consistent with the principles of Fitch's Global Structured Finance Rating Criteria, the maximum achievable rating of the class B to D notes for both Hipocat 10 and Hipocat 11 is 'BB+sf', reflecting the non-reversible interest deferability on the notes driven by the large volume of gross cumulative defaults that exceeded the contractually defined thresholds. Interest payments on these notes will only resume after full amortisation of the senior notes.

Hipocat 9 and Hipocat 10 each has an Environmental, Social and Governance (ESG) Relevance Score of 5 for transaction & collateral structure due to unmitigated payment interruption risk, resulting in the ratings being at least a notch lower.

Hipocat 11 has an ESG Relevance Score of 4 for transaction & collateral structure due to unmitigated payment interruption risk. This has no rating impact as the ratings are currently below the 'A+sf' cap for payment interruption risk.

## **RATING SENSITIVITIES**

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

The transactions' performance may be affected by adverse changes in market conditions and the economic environment. Weakening economic performance is strongly correlated to increasing levels of delinquencies and defaults that could reduce CE available to the notes.

In addition, unanticipated declines in recoveries could result in lower net proceeds, which

may make certain notes' ratings susceptible to a negative rating action depending on the extent of the decline in recoveries. Fitch conducts sensitivity analyses by stressing both a transaction's base-case foreclosure frequency (FF) and recovery rate (RR) assumptions, and examining the rating implications on all classes of issued notes. A 15% increase in weighted average WAFF and a 15% decrease in WARR indicate downgrades of up to two notches on the notes.

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

Hipocat 9's and Hipocat 10's class A notes could be upgraded on improved liquidity protection against a servicer disruption. This because the ratings are capped at 'A+sf' due to unmitigated payment interruption risk.

Stable to improved asset performance driven by stable delinquencies and defaults would lead to increasing CE levels and, potentially, upgrades. A decrease in WAFF of 15% and an increase in WARR of 15% indicate upgrades of no more than two notches on the notes.

### **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 transactions. 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 transactions' initial closing. The subsequent performance of the transactions 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.

The latest loan-by-loan portfolio data sourced from the European Data Warehouse did not include information about "maximum balance" of the loans that permit further drawdowns. Fitch assumed each loan to exercise the full drawdown capability up to the permitted maximum equivalent to 80% of the original loan-to-value.

Overall, and together with any assumptions referred to above, 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.

## **ESG CONSIDERATIONS**

Hipocat 9 and Hipocat 10 each has an ESG Relevance Score of 5 for transaction & collateral structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the ratings, resulting in a change to the rating of at least one notch downgrade.

Hipocat 11 has an ESG Relevance Score of 4 for transaction & collateral structure due to unmitigated payment interruption risk, which has a negative impact on the credit profile, and is relevant to the rating.

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 transactions, either due to their nature or the way in which they are being managed.

## **FITCH RATINGS ANALYSTS**

**Jorge Fernandez**

Analyst

Surveillance Rating Analyst

+34 91 076 1981

jorge.fernandez@fitchratings.com

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB Madrid 28046

### **Duncan Paxman**

Senior Director

Committee Chairperson

+44 20 3530 1428

duncan.paxman@fitchratings.com

### **MEDIA CONTACTS**

#### **Athos Larkou**

London

+44 20 3530 1549

athos.larkou@thefitchgroup.com

#### **Pilar Perez**

Barcelona

+34 93 323 8414

pilar.perez@fitchratings.com

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

### **PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

### **APPLICABLE CRITERIA**

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 20 Sep 2021\)](#)

[Global Structured Finance Rating Criteria \(pub. 26 Oct 2021\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 04 Nov 2021\)](#)



[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 04 Nov 2021\)](#)

[European RMBS Rating Criteria \(pub. 23 May 2022\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 15 Jul 2022\)](#)

## APPLICABLE MODELS

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

Multi-Asset Cash Flow Model, v2.12.2 (1)

ResiGlobal Model: Europe, v1.8.1 (1)

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

## ENDORSEMENT STATUS

|                 |                        |
|-----------------|------------------------|
| Hipocat 10, FTA | EU Issued, UK Endorsed |
| Hipocat 11, FTA | EU Issued, UK Endorsed |
| Hipocat 9, FTA  | EU Issued, UK Endorsed |

## DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers.

Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the

NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2022 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

## **SOLICITATION STATUS**

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

## **ENDORSEMENT POLICY**

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

---

Structured Finance    Structured Finance: RMBS    Europe    Spain

---

