

Hecho Relevante de HIPOCAT 17, Fondo de Titulización de Activos

Se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **DBRS**, con fecha 9 de febrero de 2015, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por **HIPOCAT 17, Fondo de Titulización de Activos**.

- **Serie A :** **A (sf)** anterior A (sf)

Adjuntamos la comunicación emitida por DBRS.

Barcelona, 10 de febrero de 2015

Javier García García
Director General

Press Releases



Insight beyond the rating.

Date of Release: February 9, 2015

DBRS Confirms Rating on Hipocat 17, FTA

DBRS Ratings Limited (DBRS) has today confirmed its rating of the Series A Notes of Hipocat 17, Fondo de Titulización de Activos (the Issuer) at A (sf).

The confirmation of the rating of the Series A Notes is based upon the following analytical considerations:

- Portfolio performance, in terms of delinquencies and defaults, as of the December 2014 payment date.
- Updated portfolio default rate, loss given default and expected loss assumptions for the remaining collateral pool.
- Incorporation of a sovereign-related stress component to address the impact of macroeconomic variables on collateral performance given the long-term foreign and local currency rating of A (low) for the Kingdom of Spain.
- Current available credit enhancement for the Series A Notes to cover the expected losses at the A (sf) rating level.

Hipocat 17, FTA is a securitisation of residential mortgage loans secured by first-lien mortgages on residential properties located in Spain. The underlying portfolio was originated and is serviced by Catalunya Banc S.A.

The mortgage pool is well-seasoned (over eight years), primarily concentrated in the regions of Catalonia (60.61%), the Valencian Community (15.09%) and Madrid (7.00%). Additionally, approximately 72% of the mortgage portfolio is exposed to loans originated in the 2006 and 2007 vintages.

The portfolio is performing in line with DBRS's initial expectations. As of the December 2014 payment date, the 90+ delinquency ratio (excluding defaulted loans) as a percentage of the performing balance of the portfolio was 0.95% and has been decreasing from 4.64% in December 2013. The gross cumulative default ratio increased over the year but it has recently stabilised around 4.94% and it is still within DBRS's initial expectations.

The Series A Notes are supported by the Series B Notes, Loan B, Series C Notes and an amortising Reserve Fund (currently equal to 6.28% of the outstanding principal balance of

the Series A Notes). The credit enhancement for the Series A Notes increased to 30.59% in December 2014, up from 21.62% in December 2013. The Reserve Fund is currently at the target level of EUR 25.85 million.

Banco Santander S.A. is the Treasury Account Bank for the transaction. The DBRS public rating of Banco Santander S.A. is at least equal to the Minimum Institution Rating given the rating assigned to the Series A Notes, as described in the DBRS Legal Criteria for European Structured Finance Transactions.

The transaction envisages an interest rate swap agreement. However, as the language of the hedging agreement is not in line with DBRS's current Derivative Criteria for European Structured Finance Transactions, no benefit was given to such hedging in DBRS's analysis.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is the Master European Structured Finance Surveillance Methodology. Other methodologies and criteria referenced in this transaction are listed at the end of this press release.

This can be found on www.dbrs.com at:
<http://www.dbrs.com/about/methodologies>

For a more detailed discussion of sovereign risk impact on Structured Finance ratings, please refer to DBRS commentary "The Effect of Sovereign Risk on Securitisations in the Euro Area" on: <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>.

The sources of information used for this rating include investor reports provided by Gestión de Activos Titulizados S.G.F.T., S.A. and data from the European DataWarehouse. DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance.

The last rating action on this transaction took place on 10 February 2014, when DBRS confirmed the ratings of the Series A Notes at A (sf).

Information regarding DBRS ratings, including definitions, policies and methodologies are available on www.dbrs.com.

To assess the impact of changing the transaction parameters on the rating, DBRS considered the following stress scenarios, as compared to the parameters used to determine the rating (the Base Case):

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the following stress scenarios, as compared to the parameters used to determine the rating (the Base Case):

- DBRS expected a lifetime base case Probability of Default (PD) and Loss Given Default (LGD) for the pool based on a review of the current receivables. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.
- The base case PD and LGD of the current pool of mortgages for the Issuer are 13.29% and 25.50%, respectively. At the A (sf) rating level, the corresponding PD is 31.87% and the LGD is 39.64%.
- The Risk Sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50%, the rating of the Series A Notes would be expected to remain at A (sf), assuming no change in the PD. If the PD increases by 50%, the rating for the Series A Notes would be expected to remain at A (sf), assuming no change in the LGD. Furthermore, if both PD and LGD increase by 50%, the rating would be expected to decrease to BBB (high) (sf).

Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of A (sf)
- 50% increase in LGD, expected rating of A (sf)
- 25% increase in PD, expected rating of A (sf)
- 50% increase in PD, expected rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of A (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of A (low) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (high) (sf)

For further information on DBRS historic default rates published by the European Securities and Markets Administration (ESMA) in a central repository, see:
<http://cerp.esma.europa.eu/cerp-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Initial Lead Analyst: Keith Gorman
Initial Rating Date: 9 February 2011
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The rating methodologies and criteria used in the analysis of this transaction can be found at:
<http://www.dbrs.com/about/methodologies>

Legal Criteria for European Structured Finance Transactions
 Derivative Criteria for European Structured Finance Transactions
 Master European Structured Finance Surveillance Methodology
 Operational Risk Assessment for European Structured Finance Servicers
 Master European Residential Mortgage-Backed Securities Rating Methodology and
 Jurisdictional Addenda
 Unified Interest Rate Model for European Securitisations

Ratings

Issuer	Debt Rated	Rating Action	Rating Trend	Notes	Published	Issued
Hipocat 17 Fondo de Titulización de Activos	Series A Notes	Confirmed	A (sf) --		Feb 9, 2015	EU

US = USA Issued, NRSRO
 CA = Canada Issued, NRSRO
 EU = EU Issued
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