

Hecho Relevante de RURAL HIPOTECARIO XV FONDO DE TITULIZACION DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO XV FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 16 de junio de 2017, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A:** **A+sf**, perspectiva estable

Asimismo, Fitch ha elevado la calificación asignada a la restante Serie de Bonos:

- **Serie B:** **BBsf**, perspectiva estable (anterior **CCCsf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 19 de junio de 2017.

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Fitch Upgrades Four Tranches of Rural Hipotecario RMBS

Fitch Ratings-London-16 June 2017: Fitch Ratings has upgraded Rural Hipotecario IX's class A notes and Rural Hipotecario XIV and XV's class B notes and affirmed the remaining six classes as follow:

Rural Hipotecario IX, FTA

Class A2 (ES0374274019): upgraded to 'A+sf' from 'Asf'; Outlook Stable

Class A3 (ES0374274027): upgraded to 'A+sf' from 'Asf'; Outlook Stable

Class B (ES0374274035): affirmed at 'BBB+sf'; Outlook Stable

Class C (ES0374274043): affirmed at 'BBsf'; Outlook Stable

Class D (ES0374274050): affirmed at 'Bsf'; Outlook Stable

Class E (ES0374274068): affirmed at 'CCsf'; Recovery Estimate (RE) 60%

Rural Hipotecario XIV, FTA

Class A (ES0374268003): affirmed at 'A+sf'; Outlook Stable

Class B (ES0374268011): upgraded to 'BBsf' from 'Bsf'; Outlook Stable

Rural Hipotecario XV, FTA

Class A (ES0323977001): affirmed at 'A+sf'; Outlook Stable

Class B (ES0323977019): upgraded to 'BBsf' from 'CCCs'; Outlook Stable; RE revised to NC from 100%

The transactions comprise residential mortgage loans originated and serviced by multiple rural saving banks in Spain, that form part of the Rural Hipotecario RMBS series.

KEY RATING DRIVERS

Credit Enhancement (CE) Trends

The upgrade of Rural Hipotecario XIV and XV's class B notes is mainly driven by the projected CE trend, which Fitch expects to increase considering the strictly sequential pay down of the notes together with the non-amortising reserve fund. Rural Hipotecario IX is currently amortising the class A2 and B notes on a pro rata basis, resulting in stable CE. Amortisation would revert to sequential if performance triggers are not met.

The upgrade of Rural Hipotecario IX classes A2 and A3 notes is driven by their ability to absorb the credit and cash flow stresses commensurate with a 'A+sf' stress.

Rating Cap due to Counterparty Arrangement

Rural Hipotecario XIV and XV's class A notes' ratings are capped at 'A+sf' as the account bank replacement trigger is set at 'BBB+/'F2'. In line with Fitch's counterparty criteria, direct support counterparties rated 'BBB+/'F2' are eligible to support note ratings up to the 'Asf' category.

Stable Asset Performance

The securitised mortgage portfolios have substantial seasoning of approximately 12 years for Rural Hipotecario IX and eight years for Rural Hipotecario XIV and XV. As such, the weighted average current loan-to-value (LTV) ratios have dropped below 50%, compared with the weighted average original LTV ratios between 67% and 73%.

Three-month plus arrears (excluding defaults) as a percentage of the current pool balance are 1.2% for Rural Hipotecario IX and 0.2% for Rural Hipotecario XIV. The more mature Rural Hipotecario IX transaction is showing some of the highest arrear levels amongst the Rural Hipotecario series. Similarly, the trend of gross cumulative defaults is weaker for Rural Hipotecario IX at over 5% of the transaction initial balance, compared with 0.3% for Rural Hipotecario XIV and Rural Hipotecario XV.

Portfolio Risky Attributes

Fitch has applied a 15% increase to the base foreclosure frequency assumption for loans located in regions that represent each more than 35% of the portfolio balance, such as Aragon with a 76% exposure in Rural Hipotecario XIV. Additionally, the portfolios include around 20% of loans to self-employed borrowers, which are

considered risky borrowers and are subject to an increased foreclosure frequency of 60%.

Restructured Loan Exposure

Fitch has received additional data that shows loan maturity extensions have taken place in the range between 2.5% (Rural Hipotecario IX) and 0.2% (Rural Hipotecario XV) of the outstanding collateral balance. In the absence of sufficient payment history data for such loans, Fitch has added their balance to the three months plus arrears bucket, which is linked to a higher default probability assumption.

RATING SENSITIVITIES

The class A notes of Rural Hipotecario XIV and XV could be upgraded to the maximum achievable rating for Spanish structured finance transactions of 'AA+sf' if the account bank replacement triggers were defined at 'A-' or 'F1' as specified in Fitch's counterparty criteria, all else being equal.

A worsening of the Spanish macroeconomic environment, especially employment conditions or an abrupt shift of interest rates could jeopardise the underlying borrowers' affordability. This could have negative rating implications, especially for junior tranches that are less protected by structural CE.

USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO 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. There were no findings that affected the rating analysis. 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.

Applicable to Rural Hipotecario IX:

Fitch did not undertake a review of the information provided about the underlying asset pool ahead of the transaction's 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 up on for its initial rating analysis was adequately reliable.

Applicable to Rural Hipotecario XIV and XV:

Prior to the transactions closing, Fitch reviewed the results of a third party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis. Prior to the transactions closing, Fitch conducted a review of a small targeted sample of the originators' origination files and found inconsistencies or missing data related to the borrowers' net income information. These findings were not considered in this analysis as they are no longer deemed relevant.

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.

SOURCES OF INFORMATION

The information below was used in the analysis.

- Issuer and servicer reports provided by Europea de Titulizacion SGFT since close of the deals and until 28 February 2017 for Rural IX, 24 February 2017 for Rural XIV and 16 February 2017 Rural XV.
- Loan level data dated 10 February 2017 for Rural IX, 6 February 2017 for Rural XIV and 9 February 2017 for Rural XV were sourced from the European Data Warehouse.
- Communications with trustee during April through to June 2017.

MODELS

ResiEMEA. (<https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea>)

EMEA RMBS Surveillance Model.

(<https://www.fitchratings.com/site/structuredfinance/rmbs/emearsm>)

EMEA Cash Flow Model.

(<https://www.fitchratings.com/site/structuredfinance/emeacfm>)

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Applicable Criteria

Criteria Addendum: Spain Residential Mortgage Assumptions (pub. 02 Dec 2016)

(<https://www.fitchratings.com/site/re/891432>)

Criteria for Country Risk in Global Structured Finance and Covered Bonds (pub. 26

Sep 2016) (<https://www.fitchratings.com/site/re/881269>)

EMEA RMBS Rating Criteria (pub. 29 Nov 2016)

(<https://www.fitchratings.com/site/re/891276>)

Fitch's Interest Rate Stress Assumptions for Structured Finance and Covered Bonds -

Excel File (pub. 17 Feb 2017) (<https://www.fitchratings.com/site/re/894478>)

Global Structured Finance Rating Criteria (pub. 03 May 2017)

(<https://www.fitchratings.com/site/re/897411>)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 23 May

2017) (<https://www.fitchratings.com/site/re/898537>)

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 23 May 2017) (<https://www.fitchratings.com/site/re/898538>)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 17 Feb 2017) (<https://www.fitchratings.com/site/re/893890>)

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Dodd-Frank Rating Information Disclosure Form

(<https://www.fitchratings.com/site/dodd-frank-disclosure/1025234>)

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