

**Hecho Relevante de BANKINTER 3 FTPYME FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **BANKINTER 3 FTPYME 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 Ratings Services** (“**S&P**”) con fecha 16 de diciembre de 2016, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie A2:** **AA- (sf)** (anterior **BBB+ (sf)**)
  - **Serie A3(G):** **AA- (sf)** (anterior **BBB+ (sf)**)
  - **Serie B:** **BBB+ (sf)** (anterior **BBB- (sf)**)
  - **Serie D:** **CCC+ (sf)** (anterior **CCC- (sf)**)

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

- **Serie C:** **B (sf)**
- **Serie E:** **D (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 19 de diciembre de 2016.

José Luis Casillas González  
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## Various Rating Actions Taken In Spanish SME CLO Transaction Bankinter 3 FTPYME Following Review

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### OVERVIEW

- We have reviewed Bankinter 3 FTPYME's performance and applied our relevant criteria.
- Following our review, we have raised our ratings on the class A2, A3(G), B, and D notes.
- At the same time, we have affirmed our ratings on the class C and E notes.
- Bankinter 3 FTPYME is a single-jurisdiction cash flow CLO transaction backed by SME loans. It closed in November 2007 and is currently amortizing.

LONDON (S&P Global Ratings) Dec. 16, 2016--S&P Global Ratings today raised its credit ratings on Bankinter 3 FTPYME, Fondo de Titulizacion de Activos' class A2, A3(G), B, and D notes. At the same time, we have affirmed our ratings on the class C and E notes (see list below).

Bankinter 3 FTPYME is a single-jurisdiction cash flow collateralized loan obligation (CLO) transaction securitizing a portfolio of small and midsize enterprise (SME) loans that were originated by Bankinter S.A. in Spain. The transaction closed in November 2007.

### CREDIT ANALYSIS

We have applied our European SME CLO criteria to assess the portfolio's average credit quality (see "European SME CLO Methodology And Assumptions," published on Jan. 10, 2013). In our opinion, the credit quality of the portfolio is about 'b', based on our qualitative originator assessment on Bankinter as strong and that Spain's Banking Industry Country Risk Assessment (BICRA) is 5 (see "Banking Industry Country Risk Assessment: Spain," published on June 23, 2016).

Taking the above into account and considering the originator's average annual observed default frequency, we have applied a downward adjustment of one notch to the 'b+' archetypical average credit quality. Our analysis in comparing the differences in the creditworthiness of the securitized portfolio compared with the originator's entire loan book showed that no further adjustment of average credit quality was required.

As a result of these factors, based on our assessment of the average credit quality of the portfolio, we generated our 'AAA' scenario default rate (SDR) of 61.27%.

We have calculated the 'B' SDR, based primarily on our analysis of historical SME performance data and our projections of the transaction's future performance. We have reviewed the portfolio's historical default data, and assessed market developments, macroeconomic factors, changes in country risk, and the way these factors are likely to affect the loan portfolio's creditworthiness. As a result of this analysis, our 'B' SDR is 7.59%.

We interpolated the SDRs for rating levels between 'B' and 'AAA' in accordance with our European SME CLO criteria.

#### RECOVERY RATE ANALYSIS

At each liability rating level, we assumed a weighted-average recovery rate (WARR) by taking into consideration the asset type (secured/unsecured) and the country recovery grouping (see table 7 in our European SME CLO criteria) and observed historical recoveries.

As a result of this analysis, our WARR assumption in a 'AAA' rating scenario was 30.94%. The recovery rates at more junior rating levels were higher (as outlined in our European SME CLO criteria).

#### CASH FLOW ANALYSIS

We used the portfolio balance that the servicer considered to be performing, the current weighted-average spread, and the WARRs that we considered to be appropriate. We subjected the capital structure to various cash flow stress scenarios, incorporating different default patterns and interest rate curves, to determine the rating level, based on the available credit enhancement for each class of notes under our European SME CLO criteria.

#### COUNTRY RISK

Our foreign currency long-term sovereign rating on the Kingdom of Spain is 'BBB+'.

#### CASH FLOW ANALYSIS

The results of our credit and cash flow analysis indicate that all classes of notes have increased available credit enhancement, which, in our view, has primarily been driven by deleveraging of the transaction since our previous review (see "Various Rating Actions Taken In Spanish SME CLO Transaction Bankinter 3 FTPYME Following Criteria Update," published on Dec. 18, 2014).

Under our structured finance ratings above the sovereign criteria (RAS criteria), we can rate a securitization up to four notches above our foreign currency rating on the sovereign if the tranche can withstand severe stresses (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). However, if all six of the conditions in paragraph 42 of the RAS criteria are met (including credit enhancement being sufficient to pass an extreme stress), we can assign ratings in this transaction up to a maximum of six notches (two additional notches of uplift) above the sovereign rating. For the class A2 and A3(G) notes, our analysis indicates that these classes of notes can withstand severe stresses. We have therefore raised to 'AA- (sf)' from 'BBB+ (sf)' our ratings on the class A2 and A3(G) notes.

While the class B notes have sufficient credit enhancement to withstand higher defaults, they are not able to pass the sovereign default stress test in our RAS criteria. In accordance with our RAS criteria, this would imply that the class B notes may not be rated any higher than the long-term sovereign rating on Spain. Taking this and the results of our credit and cash flow analysis into account, we have raised our rating on the class B notes to 'BBB+ (sf)' from 'BBB- (sf)'.

Our credit and cash flow analysis of the class D notes indicates that the notes are able to achieve ratings higher than those currently assigned, primarily driven by increased levels of credit enhancement since our previous review. We have therefore raised to 'CCC+ (sf)' from 'CCC- (sf)' our rating on the class D notes.

Our analysis indicates that the available credit enhancement for the class C notes is commensurate with the currently assigned rating. We have therefore affirmed our 'B (sf)' rating on this class of notes.

The class E notes remain in default and so we have affirmed our 'D (sf)' rating on the class E notes.

RELATED CRITERIA

- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 08, 2016
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 09, 2014
- Legal Criteria: Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Global Derivative Agreement Criteria, June 24, 2013
- Criteria - Structured Finance - CDOs: European SME CLO Methodology And Assumptions, Jan. 10, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 01, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- Banking Industry Country Risk Assessment: Spain, June 23, 2016
- 2015 EMEA Structured Credit Scenario And Sensitivity Analysis, Aug. 6, 2015
- Various Rating Actions Taken In Spanish SME CLO Transaction Bankinter 3 FTPYME Following Criteria Update, Dec. 18, 2014
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

RATINGS LIST

Class	Rating
To	From

Bankinter 3 FTPYME, Fondo de Titulizacion de Activos  
€617.4 Million Asset-Backed Floating-Rate Notes

Ratings Raised

A2	AA- (sf)	BBB+ (sf)
A3(G)	AA- (sf)	BBB+ (sf)
B	BBB+ (sf)	BBB- (sf)
D	CCC+ (sf)	CCC- (sf)

*Various Rating Actions Taken In Spanish SME CLO Transaction Bankinter 3 FTPYME Following Review*

Ratings Affirmed

C	B (sf)
E	D (sf)

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