Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Hecho Relevante de RURAL HIPOTECARIO XI FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO XI 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 **Moody's Investors Service (Moody's)**, con fecha 22 de mayo de 2019, comunica que ha bajado la calificación asignada a la siguiente Series de Bonos emitidos por el Fondo:

- **Serie B**: **A1 (sf)** (anterior **Aa3 (sf)**)

Asimismo, Moody's ha confirmado la calificación asignada a la siguiente Serie de Bonos:

- **Serie A**: **Aa1 (sf)**
- **Serie C: Baa3 (sf)**

Se adjunta la comunicación emitida por Moody's.

Madrid, 23 de mayo de 2019.

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MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades four tranches' ratings in three Spanish RMBS transactions

22 May 2019

Frankfurt am Main, May 22, 2019 -- Moody's Investors Service ("Moody's") has today downgraded the ratings of four Notes and affirmed the ratings of eight Notes in three Spanish RMBS transactions. The rating action reflects deterioration in the levels of credit enhancement for the affected notes, taking into account better than expected collateral performance.

Moody's affirmed the ratings of the notes that had sufficient credit enhancement to maintain the current ratings on the affected notes.

List of Affected Credit Ratings:

Issuer: RURAL HIPOTECARIO VIII, FTA

....EUR802.4M Class A2a Notes, Affirmed Aa1 (sf); previously on Jun 29, 2018 Affirmed Aa1 (sf)

....EUR350M Class A2b Notes, Affirmed to Aa1 (sf); previously on Jun 29, 2018 Affirmed Aa1 (sf)

....EUR27.3M Class B Notes, Downgraded to Baa1 (sf); previously on Jun 29, 2018 Upgraded to Aa3 (sf)

....EUR15.6M Class C Notes, Affirmed Ba2 (sf); previously on Jun 29, 2018 Upgraded to Ba2 (sf)

....EUR7.2M Class D Notes, Affirmed Caa2 (sf); previously on Jun 29, 2018 Affirmed Caa2 (sf)

Issuer: RURAL HIPOTECARIO IX, FTA

....EUR1021.7M Class A2 Notes, Downgraded to A1 (sf); previously on Jun 29, 2018 Upgraded to Aa2 (sf)

....EUR210M Class A3 Notes, Downgraded to A1 (sf); previously on Jun 29, 2018 Upgraded to Aa2 (sf)

....EUR29.3M Class B Notes, Affirmed Ba1 (sf); previously on Jun 29, 2018 Upgraded to Ba1 (sf)

....EUR28.5M Class C Notes, Affirmed B3 (sf); previously on Jun 29, 2018 Affirmed B3 (sf)

Issuer: RURAL HIPOTECARIO XI, FTA

....EUR2113.1M Class A Notes, Affirmed Aa1 (sf); previously on Jun 29, 2018 Affirmed Aa1 (sf)

....EUR25.3M Class B Notes, Downgraded to A1 (sf); previously on Jun 29, 2018 Upgraded to Aa3 (sf)

....EUR61.6M Class C Notes, Affirmed Baa3 (sf); previously on Jun 29, 2018 Upgraded to Baa3 (sf)

RATINGS RATIONALE

This rating action is prompted by a reduction in the levels of available credit enhancement as a result of amortizing reserve funds and repayment of mezzanine and junior notes ahead of the senior notes in the three transactions, taking into account better than expected collateral performance.

Moody's affirmed the ratings of the notes that had sufficient credit enhancement to maintain the current ratings.

Decrease in Available Credit Enhancement:

Triggers related to 90 days+ delinquencies were breached for a number of periods before the time of the last rating action in June 2018 on the affected notes, resulting in no amortization of reserve funds nor mezzanine or junior notes. Some of these triggers have now cured which drove reserve funds amortizations and cash being allocated to repay mezzanine and junior notes to reach the ratios (percentages of outstanding notes) contemplated in the documentation.

For RURAL HIPOTECARIO VIII, FTA, the reserve fund reduced from EUR11.7 million to EUR5.85 million (floor level) in July 2018; for RURAL HIPOTECARIO IX, FTA, the reserve fund started amortizing in August 2018, when it decreased from EUR15.0 million to EUR8.6 million, and continued to amortize down to EUR8.2 million in February 2019; for RURAL HIPOTECARIO XI, FTA, the reserve fund reduced from EUR71.5 million to EUR52.9 million in June 2018 and continued to amortize down to EUR48.9 million in March 2019.

As a result credit enhancement for the affected notes reduced as following, compared to the levels considered at the time of the last rating action taken in June 2018:

RURAL HIPOTECARIO VIII, FTA:

Class A2a notes to 11.79% from 21.41%;

Class A2b notes to 11.79% from 21.41%;

Class B notes to 7.59% from 11.95%;

Class C notes to 5.19% from 6.55%;

Class D notes to 2.33% from 4.05%.

RURAL HIPOTECARIO IX, FTA:

Class A2 notes to 11.11% from 16.04%;

Class A3 notes to 11.11% from 16.04%;

Class B notes to 7.20% from 12.13%;

Class C notes to 3.40% from 5.73%;

Class D notes to 2.00% from 3.37%.

RURAL HIPOTECARIO XI, FTA:

Class A notes to 14.40% from 18.22%;

Class B notes to 12.10% from 15.92%;

Class C notes to 6.50% from 8.55%.

Revision of Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its lifetime loss expectation for the portfolios reflecting the collateral performance to date.

The performance of the transactions has continued to improve since June 2018. Total delinquencies have decreased in the past year, with 90 days plus arrears currently standing at 0.71% as of April 2019 current pool balance for RURAL HIPOTECARIO VIII, FTA, at 0.67% of February 2019 pool balance for RURAL HIPOTECARIO IX, FTA and at 0.81% of March 2019 pool balance for RURAL HIPOTECARIO XI, FTA. Cumulative defaults remained stable at 2.1% of original pool balance for RURAL HIPOTECARIO VIII, FTA, at 5.3% for RURAL HIPOTECARIO IX, FTA and at 3.4% for RURAL HIPOTECARIO XI, FTA.

Moody's decreased the expected loss assumption to 1.6% of original pool balance from 1.8% for RURAL HIPOTECARIO VIII, FTA, to 3.8% from 4.1% for RURAL HIPOTECARIO IX, FTA and to 2.9% from 3.5% for RURAL HIPOTECARIO XI, FTA due to the improving performance.

Moody's has also assessed loan-by-loan information as a part of its detailed transaction review to determine the credit support consistent with target rating levels and the volatility of future losses. As a result, Moody's has decreased the MILAN CE assumption to 10% from 10.5%, to 13% from 15% and to 12% from 13% for RURAL HIPOTECARIO VIII, FTA, RURAL HIPOTECARIO IX, FTA and RURAL HIPOTECARIO XI, FTA respectively.

Today's rating action took into consideration the Notes' exposure to relevant counterparties, such as servicer, account banks or swap providers.

Principal Methodology

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework" published in March 2019. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The analysis undertaken by Moody's at the initial assignment of ratings for RMBS securities may focus on aspects that become less relevant or typically remain unchanged during the surveillance stage. Please see "Moody's Approach to Rating RMBS Using the MILAN Framework" for further information on Moody's analysis at the initial rating assignment and the on-going surveillance in RMBS.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include: (1) performance of the underlying collateral that is better than Moody's expected; (2) deleveraging of the capital structure; (3) improvements in the credit quality of the transaction counterparties; and (4) a decrease in sovereign risk.

Factors or circumstances that could lead to a downgrade of the ratings include: (1) an increase in sovereign risk; (2) performance of the underlying collateral that is worse than Moody's expected; (3) deterioration in the notes' available credit enhancement; and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Items color coded in purple in this Press Release relate to unsolicited ratings for a rated entity which is non-participating.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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