

**Hecho Relevante de RURAL HIPOTECARIO X FONDO DE TITULIZACIÓN DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO X 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 **DBRS Ratings GmbH (“DBRS”)**, con fecha 31 de mayo de 2019, comunica que ha elevado las calificaciones asignadas a las Series de Bonos emitidos por el Fondo:
  - **Serie A: AA (high) (sf)** (anterior **AA (sf)**)
  - **Serie B: A (high) (sf)** (anterior **A (sf)**)
  - **Serie C: BBB (high) (sf)** (anterior **BBB (low) (sf)**)

Se adjunta la comunicación emitida por DBRS.

Madrid, 3 de junio de 2019.



Press Release

# DBRS Takes Rating Actions on Four Rural Hipotecario Spanish RMBS Transactions

RMBS

May 31, 2019

DBRS Ratings GmbH (DBRS) took the following rating actions on the bonds issued by four Spanish residential mortgage-backed securities (RMBS) transactions originated and serviced by Spanish rural savings banks:

Rural Hipotecario X, Fondo de Titulización de Activos (RH X):

- Series A upgraded to AA (high) (sf) from AA (sf)
- Series B upgraded to A (high) (sf) from A (sf)
- Series C upgraded to BBB (high) (sf) from BBB (low) (sf)

Rural Hipotecario XI, Fondo de Titulización de Activos (RH XI):

- Series A upgraded to AA (sf) from A (high) (sf)

Rural Hipotecario XII, Fondo de Titulización de Activos (RH XII):

- Series A upgraded to AA (high) (sf) from AA (sf)

Rural Hipotecario XIV, Fondo de Titulización de Activos (RH XIV):

- Series A confirmed at AA (high) (sf)
- Series B upgraded to A (high) (sf) from A (low) (sf)

The upgrades and confirmations follow an annual review of the transaction and are based on the following analytical considerations:

- Portfolio performance, in terms of delinquencies, defaults and losses.
- Portfolio default rate (PD), loss given default (LGD) and expected loss assumptions for the remaining receivables.
- Current available credit enhancement (CE) available to the notes to cover the expected losses at their respective rating levels.

The ratings on the Series A notes of all four transactions address the timely payment of interest and the ultimate payment of principal on or before the legal final maturity date.

## Issuers

Rural Hipotecario X, Fondo de Titulización de Activos

Rural Hipotecario XI, Fondo de Titulización de Activos

Rural Hipotecario XII, Fondo de Titulización de Activos

Rural Hipotecario XIV, Fondo de Titulización de Activos

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The ratings on the RH X Series B and Series C notes and RH XIV Series B notes

The ratings on the RH X Series B and Series C notes and RH XIV Series B notes address the ultimate payment of interest and principal on or before the legal final maturity date.

On 23 May 2019, DBRS transferred the ongoing coverage of the ratings assigned to the Issuers listed above to DBRS Ratings GmbH from DBRS Ratings Limited. The lead analyst responsibilities for these transactions have been transferred to Shalva Beshia.

Both DBRS Ratings Limited and DBRS Ratings GmbH are registered with the European Securities and Markets Authority (ESMA) under Regulation (EC) No. 1060/2009 on Credit Rating Agencies, as amended, and are registered Nationally Recognized Statistical Rating Organization (NRSRO) affiliates in the United States and Designated Rating Organization (DRO) affiliates in Canada.

#### PORTFOLIO PERFORMANCE AND ASSUMPTIONS

-- For RH X, as of 25 February 2019, the cumulative default ratio was 3.7%, the 30+ and 90+ delinquency ratios were 3.5% and 1.2%, respectively.

-- For RH XI, as of 25 March 2019, the cumulative default ratio was 3.4%, the 30+ and 90+ delinquency ratios were 3% and 0.7%, respectively.

-- For RH XII, as of 22 March 2019, the cumulative default ratio was 2.5%, the 30+ and 90+ delinquency ratios were 3.5% and 0.9%, respectively.

-- For RH XIV, as of 30 April 2018, the cumulative default ratio was 0.4%, the 30+ and 90+ delinquency ratios were 0.9% and 0.4%, respectively.

The performance of each transaction is within DBRS's expectations.

DBRS conducted a loan-by-loan analysis of the remaining pool of the receivables in each transaction and updated its base case PD and LGD assumptions as follows:

-- For RH X, DBRS updated its base case PD and LGD assumptions to 4.2% and 15.3%, respectively.

-- For RH XI, DBRS updated its base case PD and LGD assumptions to 4.4% and 19.9%, respectively.

-- For RH XII, DBRS updated its base case PD and LGD assumptions to 4.5% and 19.3%, respectively.

-- For RH XIV, DBRS updated its base case PD and LGD assumptions to 3.5% and 20.7%, respectively.

#### CREDIT ENHANCEMENT AND RESERVE FUND

For each transaction, CE to the rated notes is provided by the subordination of junior series and a reserve fund.

-- For RH X, Series A CE was 20.4%, Series B CE was 16.4% and Series C CE

was 7.4%, as of the February 2019 payment date.

-- For RH XI, Series A CE was at 14.7%, as of the March 2019 payment date.

-- For RH XII, Series A CE was at 20.8%, as of the March 2019 payment date.

-- For RH XIV, Series A CE was at 29.7% and Series B CE was at 9.9%, as of the February 2019 payment date.

Société Générale S.A., Sucursal en España acts as the Account Bank for all four transactions. Based on the DBRS private rating of Société Générale S.A., Sucursal en España, the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS considers the risk arising from the exposure to the account bank to be consistent with the rating assigned to the Series A notes of all four transactions, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

Banco Cooperativo Español S.A. (Banco Cooperativo) acts as the swap counterparty for RH X, RH XI and RH XII. DBRS's Long-Term Issuer Rating of Banco Cooperativo at BBB does not meet the first rating threshold given the current ratings assigned to the senior notes of Rural X and Rural XII, as described in DBRS's "Derivative Criteria for European Structured Finance Transactions" methodology. As a result, DBRS has assumed that the basis risk in these transactions is unhedged for the purpose of the cash flow analysis. DBRS has modelled the interest rate basis risk associated with the mismatch between the interest rates on the assets (the majority of the loans pay interest linked to 12 months Euribor) and the interest rate paid on the notes (linked to three months Euribor) using its "Interest Rate Stresses for European Structured Finance Transactions" methodology.

The transaction structure was analysed in Intex.

#### Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is the "Master European Structured Finance Surveillance Methodology". DBRS has applied the principal methodology consistently and conducted a review of the transactions in accordance with the principal methodology.

A review of the transactions' legal documents was not conducted as the legal documents have remained unchanged since the most recent rating action.

Other methodologies referenced in these transactions are listed at the end of this press release. These may be found on [www.dbrs.com](http://www.dbrs.com) at: <http://www.dbrs.com/about/methodologies>.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the "Rating Sovereign Governments" methodology at: <http://dbrs.com/research/333487/rating-sovereign-governments.pdf>.

The sources of data and information used for these ratings include reports provided by Europea de Titulización, S.A., SGFT, the Management Company, and loan-level data provided by the European DataWarehouse GmbH.

DBRS did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial ratings, DBRS was not supplied with third-party assessments. However, this did not impact the rating analysis.

DBRS considers the data and information available to it for the purposes of providing these ratings to be of satisfactory quality.

DBRS does not audit or independently verify the data or information it receives in connection with the rating process.

The last rating action on all four transactions took place on 1 June 2018, when DBRS took multiple rating actions on each of the transactions.

The lead analyst responsibilities for these transactions have been transferred to Shalva Beshia.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at [www.dbrs.com](http://www.dbrs.com).

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

-- DBRS expected a lifetime base case PD and LGD for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

-- For RH X, the base case PD and LGD assumptions for the collateral pool are 4.2% and 15.3%, respectively. At the AA (high) (sf) rating level, the PD and LGD are 20.3% and 35.6%, respectively. At the A (high) (sf) rating level, the PD and LGD are 16.0% and 30.0%, respectively. At the BBB (high) (sf) rating level, the PD and LGD are 11.8% and 21.4%, respectively.

-- For RH XI, the base case PD and LGD assumptions for the collateral pool are 4.4% and 19.9%, respectively. At the AA (sf) rating level, the PD and LGD are 19.5% and 38.0%, respectively.

-- For RH XII, the base case PD and LGD assumptions for the collateral pool are 4.5% and 19.3%, respectively. At the AA (high) (sf) rating level, the PD and LGD are 20.9% and 40.3%, respectively.

-- For RH XIV, the base case PD and LGD assumptions for the collateral pool are 2.5% and 10.0%, respectively. At the AA (high) (sf) rating level, the PD and LGD are 10.0% and 20.0%, respectively. At the A (high) (sf) rating level, the PD and LGD are 7.5% and 15.0%, respectively. At the BBB (high) (sf) rating level, the PD and LGD are 5.0% and 10.0%, respectively.

3.5% and 20.6%, respectively. At the AA (high) (sf) rating level, the PD and LGD are 18.6% and 35.6%, respectively. At the A (high) (sf) rating level, the PD and LGD are 14.4% and 31.5%, respectively.

-- The risk sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumptions. For example, if the LGD increases by 50%, the rating on the Series A notes of RH X would be expected to be downgraded to AA (sf), assuming no change in the PD. If the PD increases by 50%, the rating on the Series A notes of RH X would be expected to remain at AA (high) (sf), assuming no change in the LGD. Furthermore, if both the PD and the LGD increase by 50%, the rating on the Series A notes of RH X would be expected to be downgraded to A (sf).

#### RH X Series A Risk Sensitivity:

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

#### RH X Series B Risk Sensitivity:

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

#### RH X Series C Risk Sensitivity:

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

#### RH XI Series A Risk Sensitivity:

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

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

RH XII Series A Risk Sensitivity:

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

RH XIV Series A Risk Sensitivity:

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

RH XIV Series B Risk Sensitivity:

- 25% increase in LGD, expected rating of A (high) (sf)
- 50% increase in LGD, expected rating of A (high) (sf)
- 25% increase in PD, expected rating of A (high) (sf)
- 50% increase in PD, expected rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (high) (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 historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>

Ratings assigned by DBRS Ratings GmbH are subject to EU and US regulations only.

Lead Analyst: Shalva Beshia, Assistant Vice President

Rating Committee Chair: Alfonso Candelas, Senior Vice President

Initial Rating Date of RH X: 8 February 2013  
 Initial Rating Date of RH XI: 8 February 2013  
 Initial Rating Date of RH XII: 8 February 2013  
 Initial Rating Date of RH XIV: 15 July 2013

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The rating methodologies used in the analysis of these transactions can be found at: <http://www.dbrs.com/about/methodologies>

- Legal Criteria for European Structured Finance Transactions
- Master European Structured Finance Surveillance Methodology
- Operational Risk Assessment for European Structured Finance Servicers
- European RMBS Insight Methodology
- European RMBS Insight: Spanish Addendum
- Interest Rate Stresses for European Structured Finance Transactions
- Derivative Criteria for European Structured Finance Transactions

A description of how DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at: <http://www.dbrs.com/research/278375>.

For more information on this credit or on this industry, visit [www.dbrs.com](http://www.dbrs.com) or contact us at [info@dbrs.com](mailto:info@dbrs.com).

## Ratings

### Rural Hipotecario X, Fondo de Titulización de Activos

Date Issued	Debt Rated	Action	Rating	Trend	Issued
31-May-19	Series A	Upgraded	AA (high) (sf)	--	EU
31-May-19	Series B	Upgraded	A (high) (sf)	--	EU
31-May-19	Series C	Upgraded	BBB (high) (sf)	--	EU



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**Rural Hipotecario XII, Fondo de Titulización de Activos**

Date Issued	Debt Rated	Action	Rating	Trend	Issued
31-May-19	Series A	Upgraded	AA (high) (sf)	--	EU

**Rural Hipotecario XIV, Fondo de Titulización de Activos**

Date Issued	Debt Rated	Action	Rating	Trend	Issued
31-May-19	Series A	Confirmed	AA (high) (sf)	--	EU
31-May-19	Series B	Upgraded	A (high) (sf)	--	EU

**Rural Hipotecario XI, Fondo de Titulización de Activos**

Date Issued	Debt Rated	Action	Rating	Trend	Issued
31-May-19	Series A	Upgraded	AA (sf)	--	EU

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**Related Documents****Methodology Used:**

European RMBS Insight Methodology / April 12, 2018

Legal Criteria for European Structured Finance Transactions / September 11, 2018

European RMBS Insight: Spanish Addendum / October 2, 2018

Interest Rate Stresses for European Structured Finance Transactions / October 10, 2018

Derivative Criteria for European Structured Finance Transactions / October 10, 2018

Operational Risk Assessment for European Structured Finance Servicers / January 23, 2019

Master European Structured Finance Surveillance Methodology / January 30, 2019

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### Exodus from Venezuela: The Economic Impact on the Region

Commentary - May 16, 2019

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Commentary - May 24, 2019

### Austria - A Broken Coalition Risks Delaying Reform Implementation

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<b>11</b> JUNE 2019	Barcelona, Spain <b>Global ABS          2019</b>
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