

Hecho Relevante de RURAL HIPOTECARIO XV FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO XV 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 Limited** (“**DBRS**”), con fecha 4 de octubre de 2018, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A: AA (high) (sf)** (anterior **AA (low) (sf)**)
 - **Serie B: A (low) (sf)** (anterior **BBB (sf)**)

Se adjunta la comunicación emitida por DBRS.

Madrid, 8 de octubre de 2018.



Date of Release: 4 October 2018

DBRS Upgrades Three Rural Hipotecario RMBS Transactions and Removes UR-Pos. Status

Bloomberg: DBRS Upgrades Rural Hipotecario Transactions, Removes UR-Pos

Industry Group: Structured Finance

Sub-Industry: Residential Mortgage

Region: Europe

DBRS Ratings Limited (DBRS) upgraded the following ratings on the bonds issued by three Spanish residential mortgage-backed securities (RMBS) transactions originated and serviced by Spanish rural savings banks.

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

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

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

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

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

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

The ratings of the most senior notes of each transaction address the timely payment of interest and the ultimate payment of principal on or before the legal final maturity date. The ratings of the subordinated notes address the ultimate payment of interest and principal.

Additionally, DBRS removed the Under Review with Positive Implications (UR-Pos.) status on the rated notes in each transaction.

The rating actions are the result of an annual review of the transaction following publication of an update to the “European RMBS Insight: Spanish Addendum” on 2 October 2018, where DBRS updated its house price indexation and market value decline rates to reflect data through the third quarter of 2017.

The ratings were placed UR-Pos. on 30 April 2018, following the upgrade of the Long-Term Foreign and Local Currency – Issuer Rating on the Kingdom of Spain to ‘A’ from A (low). For additional information on the upgrade, please see DBRS’s press release entitled “DBRS Upgrades the Kingdom of Spain to A, Stable Trend”, published on 6 April 2018. The UR-Pos. status of the notes was extended following the publication of the “European RMBS Insight: Spanish Addendum - Request for Comment” on 24 July 2018.

The rating actions 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 on the remaining receivables.
- Current available credit enhancement (CE) to the notes to cover the expected losses at their respective rating levels.

PORTFOLIO PERFORMANCE

- For RH XV, the cumulative default ratio as of July 2018 was 0.3% and the 90+ delinquency ratio was 0.6%.
- For RH XVI, the cumulative default ratio as of June 2018 was 0.8% and the 90+ delinquency ratio was 0.9%.
- For RH XVII, the cumulative default ratio as of June 2018 was at zero and the 90+ delinquency ratio was at 0.2%.

PORTFOLIO ASSUMPTIONS

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

- For RH XV, DBRS has updated its base case PD and LGD assumptions to 4.0% and 24.5%, respectively.
- For RH XVI, DBRS has updated its base case PD and LGD assumptions to 4.5% and 33.7%, respectively.
- For RH XVII, DBRS has updated its base case PD and LGD assumptions to 6.6% and 32.3%, respectively.

CREDIT ENHANCEMENT

- For RH XV, Series A CE was 23.0% and Series B CE was 7.8%, as of the August 2018 payment date.
- For RH XVI, Series A CE was 26.8% and Series B CE was 8.4%, as of the July 2018 payment date.
- For RH XVII, the Bonds CE was 38.3% as of the July 2018 payment date.

In each transaction, credit enhancement to each class of notes is provided by subordination of junior classes and the reserve fund.

As of 23 July 2018, Société Générale S.A., Sucursal en España began acting as the account bank in each transaction. The DBRS private rating of Société Générale S.A., Sucursal en España is consistent with the Minimum Institution Rating, given the ratings assigned to the Class A notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

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 transaction 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/about/methodologies) 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/319564/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 from 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 actions on these transactions took place on 27 July 2018, when DBRS extended its UR-Pos. status on the rated notes.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at 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 pools 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 XV, the base case PD and LGD assumptions for the collateral pool are 4.0% and 24.5%, respectively.

-- For RH XVI, the base case PD and LGD assumptions for the collateral pool are 4.5% and 33.7%, respectively.

-- For RH XVII, the base case PD and LGD assumptions for the collateral pool are 6.6% and 32.3%, respectively.

-- 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 issued by RH XV would be expected to remain at AA (high) (sf), assuming no change in the PD. If the PD increases by 50%, the rating of the Series A notes would be expected to remain at AA (high) (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Series A notes would be expected to fall to AA (sf).

RH XV:



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 (sf)

Series B Risk Sensitivity:

- 25% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in LGD, expected rating of BBB (high) (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 XVI:

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)

Series B Risk Sensitivity:

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

RH XVII:

Bonds Risk Sensitivity:

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

For further information on DBRS historic 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 Limited are subject to EU and US regulations only.

For RH XV:

Lead Analyst: Andrew Lynch, Assistant Vice President
Rating Committee Chair: Gareth Levington, Managing Director
Initial Rating Date: 19 July 2013

For RH XVI:

Lead Analyst: Andrew Lynch, Assistant Vice President
Rating Committee Chair: Gareth Levington, Managing Director
Initial Rating Date: 26 July 2013

For RH XVII:

Lead Analyst: Andrew Lynch, Assistant Vice President
Rating Committee Chair: Gareth Levington, Managing Director
Initial Rating Date: 27 June 2014

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The rating methodologies used in the analysis of this transaction 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

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 or contact us at info@dbrs.com.

<u>Issuer</u>	<u>Debt Rated</u>	<u>Rating Action</u>	<u>Rating</u>	<u>Trend</u>
Rural Hipotecario XV, Fondo de Titulización de Activos	Series A (ES0323977001)	Upgraded	AA (high) (sf)	-
Rural Hipotecario XV, Fondo de Titulización de Activos	Series B (ES0323977019)	Upgraded	A (low) (sf)	-
Rural Hipotecario XVI, Fondo de Titulización de Activos	Series A Notes (ES0323978009)	Upgraded	AA (high) (sf)	-
Rural Hipotecario XVI, Fondo de Titulización de Activos	Series B Notes (ES0323978017)	Upgraded	A (low) (sf)	-
Rural Hipotecario XVII, Fondo de Titulización de Activos	Bonds (ES0305033005)	Upgraded	AA (sf)	-



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