

**Hecho Relevante de**

**BANKINTER 7, Fondo de Titulización Hipotecaria**

En virtud de lo establecido en el Folleto Informativo de **BANKINTER 7, Fondo de Titulización Hipotecaria** (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 19 de marzo de 2019, comunica que confirma las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie A: AAAsf**, perspectiva estable
  - **Serie B: AAsf**, perspectiva estable
  - **Serie C: Asf**, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 19 de marzo de 2019.



## Fitch Upgrades 3 Tranches of Bankinter RMBS Series; Affirms Others

Fitch Ratings-Madrid-19 March 2019: Fitch Ratings has upgraded three tranches and affirmed six tranches of three Spanish RMBS transactions of the Bankinter programme. The Outlooks are Stable.

A full list of rating actions is at the end of this rating action commentary. The transactions comprise residential mortgages originated and serviced by Bankinter, S.A.

### KEY RATING DRIVERS

#### Strong Performance Outlook

The transactions continue to show sound asset performance with three-month plus arrears (excluding defaults) as a percentage of current pool balances being lower than 0.6% as of the latest reporting dates, and gross cumulative defaults flat at below 0.7% of the respective portfolios' initial balances. We expect performance to remain stable over the short- to medium- term due to the seasoning of the mortgages of more than 15 years (ie. weighted average indexed loan-to-value (LTV) ratios between 23% and 38%), the prevailing low interest rate environment and a positive Spanish macroeconomic outlook.

Today's rating actions reflect Fitch's credit analysis of the portfolios, which have been run with a reduced performance adjustment factor of 50% and linked to the minimum lifetime loss rate of 5% under a 'AAA' stress scenario in accordance to Fitch's European RMBS Rating Criteria.

#### Stable or Improving Credit Enhancement (CE)

CE ratios for the rated notes are expected to remain broadly stable or gradually increase over the short-to medium-term due to the pro-rata amortisation mechanism of the notes and the reserve funds being at (or about to reach) their respective absolute floors. Current and projected CE ratios are sufficient to mitigate the credit and cash flow stresses under the relevant rating scenarios, and consistent with the upgrades and affirmations of the notes. CE ratios will increase faster once the amortisation of the notes switches back to fully sequential, when the outstanding portfolio balance over initial portfolio balance represents less than 10% (currently between 14% and 25%) or sooner if performance triggers are breached.

#### Rating Cap Due to Counterparty Risk

Bankinter 7's class C note rating is capped at the SPV account bank's 'A' Long-Term Deposit Rating (Banco Santander S.A), as the only source of structural CE for this class is the reserve fund that is kept at the bank account. The rating cap reflects the excessive counterparty dependence on the SPV account bank holding the cash reserves, as the sudden loss of these funds would imply a downgrade of 10 or more notches of the notes in accordance with Fitch's Structure Finance and Covered Bonds Counterparty Rating Criteria.

While Bankinter 9P and 9T class C note ratings are also exposed to the excessive counterparty risk their current ratings are lower than the 'Asf' cap due to other credit considerations.

#### Payment Interruption Risk Mitigated

The transactions are viewed by Fitch as sufficiently protected against payment interruption risk in a scenario of servicer disruption, as liquidity is sufficient to cover at least three months of senior fees, net swap payments and interest due amounts on the senior securitisation notes, until an alternative servicing

arrangement is implemented.

#### RATING SENSITIVITIES

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.

As Bankinter 7 class C notes' rating is capped at the SPV bank account Long-Term Deposit rating, a change to the latter could trigger a corresponding action to the class C notes' rating.

#### 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. Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing.

The subsequent performance of the transactions 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 upon for its initial rating analysis was adequately reliable. 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:

Loan-by-loan data sourced from European Data Warehouse as at:  
January 2019 for Bankinter 9P and Bankinter 9T

Loan-by-loan data provided by Bankinter as at:  
January 2019 for Bankinter 7

Issuer and servicer reports provided by Europea de Titulizacion S.G.F.T., S.A. as at:  
January 2019 for Bankinter 7, Bankinter 9P and Bankinter 9T

Communications with the portfolio servicers dated January 2019

#### MODELS

ResiGlobal.  
EMEA Cash Flow Model.

The rating actions are as follows:

Bankinter 7, FTH

Class A (ISIN ES0313547004): affirmed at 'AAAsf'; Outlook Stable

Class B (ISIN ES0313547012): affirmed at 'AAAsf'; Outlook Stable

Class C (ISIN ES0313547020): affirmed at 'Asf'; Outlook Stable

Bankinter 9 - P Series, FTA

Class A2(P) (ISIN ES0313814016): upgraded to 'AAAsf' from 'AA+sf'; Outlook Stable

Class B(P) (ISIN ES0313814024): affirmed at 'Asf'; Outlook Stable

Class C(P) (ISIN ES0313814032): affirmed at 'BBB+sf'; Outlook Stable

## Bankinter 9 - T Series, FTA

Class A2(T) (ISIN ES0313814057): affirmed at 'AAAsf'; Outlook Stable

Class B(T) (ISIN ES0313814065): upgraded to 'AA+sf' from 'Asf'; Outlook Stable

Class C(T) (ISIN ES0313814073): upgraded to 'A-sf' from 'BBB-sf'; Outlook Stable

## Contacts:

Lead Surveillance Analyst

Ricardo Garcia

Associate Director

+34 91 702 5772

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9B

Madrid 28046

## Committee Chairperson

Juan David Garcia

Senior Director

+34 917 025 774

Media Relations: Athos Larkou, London, Tel: +44 20 3530 1549, Email: athos.larkou@thefitchgroup.com

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## Applicable Criteria

European RMBS Rating Criteria (pub. 21 Dec 2018)

Global Structured Finance Rating Criteria (pub. 15 May 2018)

Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 01 Aug 2018)

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 01 Aug 2018)

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 23 Oct 2018)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 08 Mar 2019)

## Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

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