Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Hecho Relevante de BANKINTER 4 FONDO DE TITULIZACIÓN HIPOTECARIA

En virtud de lo establecido en el Folleto Informativo de **BANKINTER 4 FONDO DE TITULIZACIÓN HIPOTECARIA** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Standard & Poor's Global Ratings ("S&P")**, con fecha 28 de junio de 2018, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

    - **Serie A:** **AAA (sf)** (anterior **AA+ (sf)**)
    - **Serie B:** **AA (sf)** (anterior **AA- (sf)**)
    - **Serie C:** **BB (sf)** (anterior **B- (sf)**)

Se adjunta la comunicación emitida por S&P.

Madrid, 29 de junio de 2018.

José Luis Casillas González
Apoderado

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All Ratings Raised And Removed From CreditWatch Positive On Bankinter 4's Spanish RMBS Notes Following Review

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OVERVIEW

- On March 23, 2018, we raised our unsolicited long-term sovereign rating on Spain to 'A-' from 'BBB+'.
- Following the sovereign upgrade, on April 6, 2018, we raised our long-term rating on Bankinter, the servicer and swap provider in this transaction.
- On April 17, 2018, we revised our outlook assumptions for the Spanish residential mortgage market to benign to reflect the improved Spanish residential mortgage and real estate market, and lowered our projected losses at the 'B' rating level for the archetypal Spanish pool.
- On April 24, 2018, we placed on CreditWatch positive our ratings on all classes of notes in Bankinter 4, as we needed to conduct a full analysis to determine the impact of these recent events.
- Following our review of this transaction under our relevant criteria, we have raised our ratings on all tranches and resolved our CreditWatch placements.
- Bankinter 4 is a Spanish RMBS transaction, which closed in September 2002.

MADRID (S&P Global Ratings) June 28, 2018--S&P Global Ratings today raised and removed from CreditWatch positive its credit ratings on Bankinter 4 Fondo de Titulizacion Hipotecaria's class A, B, and C notes (see list below).

Today's rating actions follow the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and reflect the transaction's current structural features (see "Related Criteria"). We have also considered our updated outlook assumptions for the Spanish residential mortgage market (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on April 17, 2018).

Our structured finance ratings above the sovereign (RAS) criteria classify the sensitivity of this transaction as moderate (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). Therefore, after our March 23, 2018 upgrade of Spain to 'A-' from 'BBB+', the highest rating that we can assign to the senior-most tranche in this transaction is six notches above the Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met (see "Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive"). For all the other tranches, the highest rating that we can assign is four notches above the sovereign rating.

Following the sovereign upgrade, on April 6, 2018, we raised to 'BBB+' from 'BBB' our long-term issuer credit rating (ICR) on Bankinter S.A., which is the servicer and swap provider in this transaction (see "Reduced Funding Risks Lead To Upgrades At Several Spanish Banks").

The counterparty risks in this transaction relate to the guaranteed investment contract (GIC) account and the swap, which is provided by Societe Generale (Madrid Branch) and Bankinter, respectively. The hedge agreement mitigates basis risk arising from the different indexes between the securitized assets and the notes. We do not consider the replacement language in the swap agreement to be in line with our current counterparty criteria (see " Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). Under our current counterparty criteria, we give benefit to the swap in our analysis at rating levels up to our long-term ICR on the corresponding swap counterparty, plus one notch. In our analysis, we do not give benefit to the swap at rating levels above one notch higher than our long-term ICR on the swap counterparties. At these levels, we model the basis risk as unhedged.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign. Therefore, we revised our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level to 0.9% from 1.6%, in line with table 87 of our European residential loans criteria, by lowering our foreclosure frequency assumption to 2.00% from 3.33% for the archetypal pool at the 'B' rating level (see "Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on April 17, 2018).

After applying our European residential loans criteria to this transaction, the below are our WAFF AND WALS assumptions. As the pool's attributes indicate better credit quality than the archetype, we increased the projected loss that we modeled to meet the minimum floor under our European residential loans criteria.

Rating level	WAFF (%)	WALS (%)
AAA	9.30	36.14
AA	6.72	30.69
A	5.28	21.71
BBB	4.16	16.77
BB	3.05	7.76
B	2.16	5.06

The class A, B, and C notes' credit enhancement has increased to 21.9%, 18.8%, and 4.1%, respectively, from 18.1%, 14.8%, and 3.1% since our previous review due to the amortization of the notes and the reserve fund having reached its floor (see "Ratings Raised Or Affirmed In Eight Bankinter Spanish RMBS Transactions Following Improved Collateral Performance," published on Feb. 24, 2017). Amortization has been pro rata between the class A and B notes since February 2007, as the class C notes will only be able to amortize when the class A and B notes have fully redeemed.

Following the application of our criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

Under our European residential loans criteria, the class A and B notes are able to pass our 'AAA' stresses without the support of the swap contract. At the same time, the application of our RAS criteria allows us to rate the class A notes, the most senior tranche, at six notches above our unsolicited 'A-' long-term sovereign rating on Spain and four notches for our rating on the class B notes as it is not the most senior class of notes. We have therefore raised to 'AAA (sf)' from 'AA+ (sf)' our rating on the class A notes and upgraded the class B notes to 'AA (sf)' from 'AA- (sf)'. We have also resolved both CreditWatch placements. Our ratings on these classes of notes continue to be delinked from the long-term ICR on the swap counterparty.

Our rating on the class C notes is not capped by our RAS analysis as the application of our European residential loans criteria, including our updated credit figures, determines a rating below our unsolicited 'A-' long-term sovereign rating on Spain. Under our European residential loans criteria, the notes can achieve a higher rating than previously assigned. We have therefore raised to 'BB (sf)' from 'B- (sf)' and removed from CreditWatch positive our rating on this class of notes, based on our updated credit analysis, increased credit enhancement since our February 2017 review, and the fact that this class of notes is the most junior class.

Bankinter 4 is a Spanish residential mortgage-backed securities (RMBS) transaction, which closed in September 2002 and securitizes residential loans granted to Spanish citizens for the acquisition of their main residence.

RELATED CRITERIA

- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 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 - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- Spanish RMBS Index Report Q1 2018, May 24, 2018
- Ratings On 213 Tranches In 82 Spanish RMBS Transactions Placed On CreditWatch Positive, April 24, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans, April 17, 2018
- Reduced Funding Risks Lead To Upgrades At Several Spanish Banks, April 6, 2018
- Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive, March 23, 2018
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Ratings Raised Or Affirmed In Eight Bankinter Spanish RMBS Transactions Following Improved Collateral Performance, Feb. 24, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The

Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

RATINGS LIST

Class	Rating To	Rating From

Bankinter 4 Fondo de Titulizacion Hipotecaria
€1.025 Billion Mortgage-Backed Floating-Rate Notes

Ratings Raised And Removed From CreditWatch Positive

Class	To	From
A	AAA (sf)	AA+ (sf)/Watch Pos
B	AA (sf)	AA- (sf)/Watch Pos
C	BB (sf)	B- (sf)/Watch Pos