

Hecho Relevante de RURAL HIPOTECARIO XIV FONDO DE TITULIZACION DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO XIV FONDO DE TITULIZACION DE ACTIVOS** (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 26 de septiembre de 2019, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A:** **A+sf**, perspectiva estable

Asimismo, Fitch ha elevado la calificación asignada a la restante Serie de Bonos:

- **Serie B:** **A+sf**, perspectiva estable (anterior **Asf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 30 de septiembre de 2019.



Fitch Upgrades 2 Tranches of Rural Hipotecario RMBS

Fitch Ratings - Frankfurt am Main - 26 September 2019:

Fitch Ratings has upgraded Rural Hipotecario's (Rural) XI class C notes and Rural XIV's class B notes, while affirming the rest. The Outlooks are Stable. A full list of rating actions is detailed below.

RATING ACTIONS		
ENTITY/DEBT	RATING	PRIOR
Rural Hipotecario XIV, FTA		
A ES0374268003	LT A+sf ● Affirmed	A+sf ●
B ES0374268011	LT A+sf ● Upgrade	Asf ●
Rural Hipotecario XI, FTA		
Class A ES0323975005	LT A+sf ● Affirmed	A+sf ●
Class B ES0323975013	LT A+sf ● Affirmed	A+sf ●
Class C ES0323975021	LT A+sf ● Upgrade	A-sf ●

Transaction Summary

The transactions comprise residential mortgages originated and serviced by multiple rural savings banks in Spain with a back-up servicer arrangement with Banco Cooperativo Espanol S.A. (BBB/Stable/F2).

KEY RATING DRIVERS

Credit Enhancement (CE) Stable to Increasing

Current and projected levels of CE of the notes are sufficient to mitigate the credit and cash flow stresses under their rating scenario, as reflected by today's upgrades and affirmations. CE ratios for Rural XI are expected to remain broadly stable given the pro-rata amortisation of the transaction, while CE ratios of Rural XIV are expected to continue increasing given its strictly sequential amortisation.

Sound Asset Performance

The transactions continue to show sound asset performance with three-month plus arrears (excluding defaults) as a percentage of current pool balance at less than 0.6% as of the latest reporting date and

excess spread being sufficient to cover defaulted amounts. The performance adjustment factor parameter within Fitch's credit analysis of Rural XIV portfolio has been kept at 100% as per the agency's European RMBS Rating Criteria, as we consider the reported default data as insufficiently reliable due to possible asset buybacks by originators in the past linked to interest rate floor clauses.

Counterparty Arrangements Cap Ratings

The notes' ratings are capped at 'A+sf' due to the account bank minimum eligibility rating thresholds of 'BBB+' and 'F2', which are not compatible with 'AA' or 'AAA' rating categories as per Fitch's Counterparty Criteria. Moreover, Rural XIV's class B and Rural XI's class C ratings are capped at the SPV account bank provider deposit rating (Societe Generale S.A.) as the transactions cash reserves held at this entity represent a material source of credit enhancement for these classes of notes.

Regional Concentration

The two transaction portfolios are exposed to substantial geographic concentration risk mainly to the regions of Aragon (around 89% of Rural XIV portfolio balance), and Comunidad Valenciana (around 34.3% of Rural XI portfolio balance). Fitch has applied a higher set of rating multiples to the base foreclosure frequency assumption to the portion of the portfolio that exceeds 2.5x the population within these regions.

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. Rural XIV's class B and Rural XI's class C ratings are capped at the SPV account bank provider deposit rating. A change to the account bank rating could trigger a corresponding change to these notes' ratings.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC 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 provided by European Data Warehouse as at May 2019 for Rural XI and April 2019 for Rural XIV

- Issuer and servicer reports provided by Europea de Titulizacion SGFT, S.A as at July 2019 for Rural XI and August 2019 for Rural XIV

MODELS

The models below were used in the analysis. Click on the link for a description of the model.

ResiGlobal.

EMEA Cash Flow Model.

A description of the transaction's representations, warranties and enforcement mechanisms (RW&Es) that are disclosed in the offering document and which relate to the underlying asset pool was not prepared for this transaction. Offering Documents for this market sector typically do not include RW&Es that are available to investors and that relate to the asset pool underlying the trust. Therefore, Fitch credit reports for this market sector will not typically include descriptions of RW&Es. For further information, please see Fitch's Special Report titled 'Representations, Warranties and Enforcement Mechanisms in Global Structured Finance Transactions'.

Additional information is available on www.fitchratings.com

FITCH RATINGS ANALYSTS

Surveillance Rating Analyst
Alberto Faraco Peinado, CFA
Director
+34 91 702 5778
Fitch Ratings Spain - Madrid
Paseo de la Castellana 31 9ºB
Madrid 28046

Committee Chairperson
Juan Garcia
Senior Director
+34 91 702 5774

MEDIA CONTACTS

Athos Larkou
London
+44 20 3530 1549
athos.larkou@thefitchgroup.com

Applicable Criteria

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub. 23 Oct 2018)
Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds (pub. 08 Mar 2019)
Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 18 Apr 2019)
Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 18 Apr 2019)
Global Structured Finance Rating Criteria (pub. 02 May 2019)
Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 27 Jun 2019)
European RMBS Rating Criteria (pub. 16 Aug 2019)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form
Solicitation Status
Endorsement Policy

DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

COPYRIGHT

Copyright © 2019 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information,

access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Endorsement Policy

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Fitch Updates Terms of Use & Privacy Policy

We have updated our Terms of Use and Privacy Policies which cover all of Fitch Group's websites. [Learn more.](#)