

**Material Event**  
**concerning**

**RURALPYME 2 FTPYME FONDO DE TITULIZACION DE ACTIVOS**

Pursuant to section 4.1.4 of the Securities Note Building Block of the Prospectus for **RURALPYME 2 FTPYME FONDO DE TITULIZACION DE ACTIVOS** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- The Rating Agency **Fitch Ratings** (“Fitch”) announced on January 17, 2013 that it has affirmed the ratings assigned to the following Bond Series issued by the Fund:
  - **Series A1:**            **AA-sf**, outlook negative            (previously **AA-sf**, watch negative)
  - **Series A2 (G):**       **AA-sf**, outlook negative            (previously **AA-sf**, watch negative)
  - **Series B:**            **Asf**, outlook stable                    (previously **Asf**, watch negative)

The ratings assigned to the other Bond Series remain unchanged:

- **Series C:**            **BBsf**, outlook negative
- **Series D:**            **CCsf**

Enclosed herewith are the releases issued by Fitch.

Madrid, January 18, 2013.

Mario Masiá Vicente  
General Manager

## FITCH AFFIRMS 32 SPANISH SF TRANCHES; DOWNGRADES 26

Link to Fitch Ratings' Report: Fitch: Counterparty-Related Rating Watch Resolved on Spanish SF  
[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=699112](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=699112)

Fitch Ratings-London-17 January 2013: Fitch Ratings has affirmed 32 tranches, upgraded four tranches, revised the Rating Watch on four tranches to Positive, placed three additional tranches on Rating Watch Positive and downgraded 26 tranches of 52 Spanish structured finance (SF) transactions. 66 tranches of 31 Spanish RMBS transactions remain on RWN pending a full review of the performance of their collateral portfolios, given the deteriorating conditions in the housing market. A full list of rating actions is available at [www.fitchratings.com](http://www.fitchratings.com) or by clicking on the link above.

The rating actions follow a review of the transactions' counterparty exposure. The tranches were placed or maintained on RWN in July 2012 following counterparty downgrades and in the absence of associated remedial actions as envisaged in the transaction documentation and reflecting Fitch's SF counterparty criteria. Fitch has taken rating actions as adequate time to implement remedial actions has elapsed.

Fitch has discussed the counterparty positions with the transaction parties over recent months and understands that further modifications to transaction structures may still be made. The agency will consider the effects of any further remedial action that is completed and may adjust its ratings accordingly. Fitch also acknowledges that appropriate remedial actions have been completed for many transactions following the downgrade of Spanish financial institutions in 2012.

The rating actions follow consideration by the agency of the specific circumstances of the transactions concerned and reflect Fitch's view of the ratings that can be supported given the current exposures relating to the counterparty roles of issuer account bank, servicer/collection account bank, and derivative providers. The ratings were determined by categorising the exposures according to one or more of the approaches outlined below.

### ISSUER ACCOUNT BANK

The bank accounts of SF SPV issuers are held with the issuer account bank. Transaction cash flows are deposited into the issuer account when transferred from collection accounts. The issuer account bank may also hold transaction-specific reserves, used for credit enhancement or liquidity. The default of the account bank could lead to the loss of transaction reserve accounts, but could also lead to operational issues and payment delays as bank accounts are replaced.

For transactions where Fitch expects the issuer account bank counterparty to implement remedial action in the event of a future account bank downgrade, the notes' ratings are higher than the counterparty's rating and were determined by applying Figure 1 of Fitch's Counterparty Criteria for Structured Finance Transactions. So long as future remedial actions are implemented as per expectations, the notes' ratings will continue to be determined referencing the counterparty criteria.

For transactions where Fitch expects that future remedial action may not be implemented, the agency has analysed the ratings assuming the loss of all amounts held at the issuer account bank (reserves plus periodic collections). For transactions with sufficient credit enhancement to withstand a loss of such funds, note ratings have been capped at a level of three notches above the Long-Term Issuer Default Rating (IDR) of the bank due to the residual operational exposure to the issuer account bank. Notes' ratings exceed the IDR of the bank on the expectation that the account operations of the bank will survive a default on a bank's senior unsecured debt. The notes' ratings are likely to see further rating action if there is a change in the IDR of the account bank.



Where transactions do not have sufficient credit enhancement to withstand the loss of the above funds then the agency has capped the ratings of tranches at the rating of the account provider. The ratings of these notes are likely to be affected if there is a change in the IDR of the account bank.

#### SERVICER/COLLECTION ACCOUNT BANK

The servicer performs the administrative duties of depositing and transferring transaction cash flows and in Spain is usually the originating bank. The same party usually also operates as collection account bank where borrowers deposit payments upon the securitised obligations before they are transferred to the issuer account. The default of the servicer or collection account bank could result in an interruption to transaction payments and/or the loss of any commingled funds.

Fitch analysed the size and evolution of available cash reserves to the transactions. Where transaction cash reserves are expected to remain adequate to mitigate a disruption to collections (generally six months of expenses, net swap payments and note interest), Fitch did not apply any additional rating cap. These transactions could be reviewed further if there are negative performance developments which affect the future availability of cash reserves to address this risk.

Where available cash reserves were seen as insufficient to mitigate a disruption to collections, but the servicer is a bank, then the notes' ratings have been capped at three notches above the IDR of the bank servicer. This is on the expectation of continued operations, even in the event of a bank defaulting on its senior unsecured debt. The notes' ratings are likely to be affected if there is a change in the IDR of the bank servicer.

Alternatively, if a payment disruption is only expected to incur a limited deferral of note interest, Fitch considered ratings up to 'Asf' as long as the interest deferral is not expected to trigger other detrimental events such as a swap termination. Spanish SF transactions often allow for two missed payments by the issuer under the swap documentation before triggering an early termination event. Fitch believes that payment interruption as a result of a default of the servicer or collection account bank is unlikely to cause two consecutive missed payments and therefore applied a ratings cap of 'Asf'.

#### DERIVATIVE COUNTERPARTY

Where collateral posting arrangements are in place and Fitch expects the counterparty to implement future remedial action consistent with the criteria (e.g. replacement upon downgrade below threshold levels), the maximum rating has been determined by applying Figure 1 of the Fitch's Counterparty Criteria for Structured Finance Transactions. As long as remedial actions are implemented as expected, the ratings will remain delinked from the counterparty rating.

Where implementation of future remedial action reflecting counterparty criteria is in doubt, Fitch has considered the materiality of the swap to the transaction cash flows. Where the rating can be supported in the absence of the swap, then no additional rating caps have been applied. However, where the swap is too material to the transaction analysis, Fitch has capped the ratings of the notes at a transaction-specific level taking into account the role of the swap and the creditworthiness of the counterparty.

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