

**Otra Información Relevante de    RURAL HIPOTECARIO X FONDO DE TITULIZACION DE  
ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO X FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **Fitch Ratings (“Fitch”)**, con fecha 2 de junio de 2022, comunica que ha confirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
  - **Serie A:**                    **A+sf**
  - **Serie B:**                    **Asf**

Se adjunta la comunicación emitida por Fitch.









Madrid, 10 de junio de 2022.

02 JUN 2022

## Fitch Affirms 2 Rural Hipotecario RMBS Series

Fitch Ratings - Madrid - 02 Jun 2022: Fitch Ratings has affirmed Rural Hipotecario Global 1, FTA's (RG1) and Rural Hipotecario X, FTA's (R10) notes. A full list of rating actions is below.

### Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR
Rural Hipotecario Global I, FTA			
• Class A LT ES0374273003	AAAsf 	Affirmed	AAAsf 
• Class B LT ES0374273011	AA-sf 	Affirmed	AA-sf 
• Class C LT ES0374273029	A+sf 	Affirmed	A+sf 
• Class D LT ES0374273037	Asf 	Affirmed	Asf 
• Class LT	CCCsf	Affirmed	CCCsf

ENTITY/DEBT	RATING	RECOVERY	PRIOR
E ES0374273045			
Rural Hipotecario X, FTA			
• Class A LT ES0374275008	A+sf ●	Affirmed	A+sf ●
• Class B LT ES0374275016	Asf ●	Affirmed	Asf ●

#### RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◊
NEGATIVE	⊖	◊
EVOLVING	◊	◆
STABLE	○	

#### Transaction Summary

The transactions comprise fully amortising 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

**Performance Expectations & Portfolio Risky Attributes:** The affirmations reflect our broadly stable asset performance expectations for the securitised portfolios, supported by a low share of loans in arrears over 90 days (below 1% of the current portfolio balance as of the latest reporting dates in all cases), high portfolio seasoning of more than 15 years and low current loan-to-value ratios. However, downside performance risk has increased, as the recent spike in inflation may put pressure on household financing, especially for more vulnerable borrowers like self-employed individuals.

The portfolios carry larger than average exposures to self-employed borrowers, of 28% and 22% of the portfolio balance for RG1 and R10, respectively. These are considered riskier than loans granted to third-party employed borrowers and are subject to a foreclosure frequency (FF) adjustment of 170%, in line with Fitch's criteria. Moreover, the securitised pools are exposed to geographical concentration in the region of Valencia, and Fitch applies higher rating multiples to the base FF assumption to the portion of the portfolios that exceed two and a half times the population within this region, in line with its European RMBS rating criteria.

**CE Trends:** The rating actions reflect Fitch's view that credit enhancement (CE) ratios will continue increasing in the short to medium term, able to compensate the credit and cash flow stresses defined for the corresponding rating scenarios. For RG1, CE build up is driven by the mandatory sequential paydown of the liabilities that takes place until the final maturity date in line with transaction documentation as its portfolio factor is less than 10% (currently around 9.8%). For R10, CE is also expected to increase but at a slower pace, considering the pro-rata paydown of liabilities and the non-amortising reserve fund. CE build up will accelerate when the notes amortisation switches to fully sequential, to be activated when the pool factor of 22% falls below 10%.

**Rating Caps Due to Counterparty Risks:** R10 notes' maximum achievable rating remains capped at 'A+sf' due to the contractually defined transaction account bank (TAB) minimum eligibility rating thresholds of 'BBB+' and 'F2', which are not compatible with 'AAsf' or 'AAAsf' rating categories as per Fitch's Counterparty Criteria.

Additionally, R10's class B and RG1's class D ratings are capped at the TAB provider deposit rating (Societe Generale S.A., deposit rating 'A') as the cash reserves held at this entity represent the main source of structural CE for these notes. The rating cap reflects the excessive counterparty dependence on the TAB holding the cash reserves, in accordance with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria. For R10, this assessment also considers the very low borrower count left in the pool at the tail.

## RATING SENSITIVITIES

### Factors that could, individually or collectively, lead to negative rating action/downgrade:

For senior notes rated at 'AAAsf', a downgrade of Spain's Long-Term Issuer Default Rating (IDR) that could decrease the maximum achievable rating for Spanish structured finance transactions. This is because these notes are rated at the maximum achievable rating, six notches above the sovereign IDR.

For RG1's class D notes and R10's class B notes, a downgrade of the TAB provider's deposit rating, as the notes' ratings are capped at the bank's ratings due to excessive counterparty risk exposure.

Long-term asset performance deterioration such as increased delinquencies or larger defaults, which could be driven by adverse changes to macroeconomic conditions, interest-rate increases or borrower behaviour. Higher inflation, larger unemployment and lower economic growth than Fitch's current forecast as disclosed in the Global Economic Outlook - March 2022 could impact the borrowers' ability

to pay their mortgage debt.

### **Factors that could, individually or collectively, lead to positive rating action/upgrade:**

The 'AAAsf' rated notes are already at the highest level on Fitch's scale and cannot be upgraded.

For mezzanine and junior notes, CE ratios increase as the transactions deleverage, able to fully compensate the credit losses and cash flow stresses commensurate with higher rating scenarios, all else being equal.

For RG1's class D notes and R10's class B notes, an upgrade of the TAB provider's deposit rating, as the notes' ratings are capped at the bank's ratings due to excessive counterparty risk exposure.

### **Best/Worst Case Rating Scenario**

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

### **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**

Rural Hipotecario Global I, FTA, Rural Hipotecario X, FTA

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool[s] and the transaction[s]. 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 pool[s] ahead of the transaction's [Rural Hipotecario Global I, FTA, Rural Hipotecario X, FTA] initial closing. The subsequent performance of the transaction[s] 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, and together with any assumptions referred to above, 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.

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

Rural Global 1's class D notes' and Rural 10's class B notes' ratings are capped at Societe Generale S.A.'s long-term deposit rating due to excessive counterparty dependency.

## ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg)

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## Applicable Criteria

[European RMBS Rating Criteria \(pub.23 May 2022\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub.26 Oct 2021\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub.04 Nov 2021\)](#)

Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub.04 Nov 2021)

Structured Finance and Covered Bonds Country Risk Rating Criteria (pub.28 Oct 2021)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub.20 Sep 2021)

## Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.12.2 (1)

ResiGlobal Model: Europe, v1.8.1 (1)

## Additional Disclosures

[Solicitation Status](#)

## Endorsement Status

Rural Hipotecario Global I, FTA      EU Issued, UK Endorsed

Rural Hipotecario X, FTA              EU Issued, UK Endorsed

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