

**Hecho Relevante de RURAL HIPOTECARIO XI FONDO DE TITULIZACIÓN DE ACTIVOS**

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

- La Agencia de Calificación **DBRS Ratings Limited (“DBRS”)**, con fecha 27 de enero de 2015, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:
  - **Serie A: A (low) (sf)**

Se adjunta la comunicación emitida por DBRS.

Madrid, 28 de enero de 2015.

Mario Masiá Vicente  
Director General



Date of Release: 27 January 2015

## **DBRS Confirms Rating of Rural Hipotecario XI, FTA**

**Bloomberg: DBRS Confirms Rating of Rural Hipotecario XI, FTA**

**Industry Group: Structured Finance**

**Sub-Industry: RMBS**

DBRS Ratings Limited (DBRS) has today confirmed its rating of the Series A notes of Rural Hipotecario XI, FTA ondo de Titulización de Activos (the Issuer) at A (low) (sf).

The confirmation of the rating of the Series A notes is based upon the following analytical considerations:

- Portfolio performance, in terms of delinquencies and defaults, as of the September 2014 payment date.
- Updated portfolio default rate, loss given default and expected loss assumptions for the remaining collateral pool.
- Incorporation of a sovereign-related stress component to address the impact of macroeconomic variables on collateral performance given the long-term foreign and local currency rating of A (low) for the Kingdom of Spain.
- Current available credit enhancement for the Series A Notes to cover the expected losses at the A (low) (sf) rating level.

Rural Hipotecario XI, FTA is a securitisation of first-ranking residential mortgage loans originated by 30 Spanish rural savings banks and serviced by the respective originators. The transaction follows the standard structure under the Spanish Securitisation Law and closed in February 2009.

The portfolio is performing in line with DBRS's initial expectations. As of the September 2014 payment date, the 90+ delinquency ratio (excluding defaulted loans) as a percentage of the performing balance of the portfolio was 1.80% and has been decreasing from 2.70% in September 2013. As per the September 2014 delinquency report, the gross cumulative default ratio increased to 2.49%, but it is still within DBRS's initial expectations.

Credit enhancement for the Series A notes is provided by subordination of the Series B and Series C notes and an amortising Cash Reserve (currently equal to 3.96% of the outstanding principal balance of the Series A Notes). The credit enhancement for the Series A notes increased to 9.76% in September 2014. The Cash Reserve is currently at €49,090,509, i.e. 68.66% of its target balance. As more loans rolled into default in recent periods, the Cash Reserve drew down due to the provisioning mechanism for defaulted loans.

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# Press Release



*Insight beyond the rating*

Barclays Bank Plc (Spanish Branch) is the Treasury Account Bank for the transaction. The DBRS private rating of Barclays Bank Plc (Spanish Branch) is at least equal to the Minimum Institution Rating given the rating assigned to the Series A notes, as described in the DBRS Legal Criteria for European Structured Finance Transactions. Additionally, Banco Cooperativo Español is the Swap Counterparty for the transaction. The DBRS public rating of Banco Cooperativo Español complies with the DBRS Derivative Criteria for European Structured Finance Transactions.

## Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable is the Master European Structured Finance Surveillance Methodology. Other methodologies and criteria referenced in this transaction are listed at the end of this press release.

This can be found on [www.dbrs.com](http://www.dbrs.com) at:

<http://www.dbrs.com/about/methodologies>

For a more detailed discussion of sovereign risk impact on Structured Finance ratings, please refer to DBRS's commentary "The Effect of Sovereign Risk on Securitisations in the Euro Area" on: <http://www.dbrs.com/industries/bucket/id/10036/name/commentaries/>.

The sources of information used for this rating include monthly investor reports provided by Europea de Titulización, S.A., S.G.F.T. and data from the European DataWarehouse. DBRS considers the information available to it for the purposes of providing this rating to be of satisfactory quality.

DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance.

The last rating action on this transaction took place on 27 January 2014, when DBRS confirmed the rating of the Series A notes at A (low) (sf).

Information regarding DBRS ratings, including definitions, policies and methodologies are available on [www.dbrs.com](http://www.dbrs.com).

To assess the impact of the changing the transaction parameters on the rating, DBRS considered the following stress scenarios, as compared to the parameters used to determine the rating (the Base Case):

-- DBRS expected a lifetime base case Probability of Default (PD) and Loss Given Default (LGD) for the pool based on a review of the current receivables. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

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-- The base case PD and LGD of the current pool of mortgages for the Issuer are 6.18% and 26.88%, respectively. At the A (low) (sf) rating level, the corresponding PD is 17.68% and the LGD is 38.40%.

*Insight beyond the rating.*

-- The Risk Sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50%, the rating of the Series A notes would be expected to decrease to BBB (low) (sf), assuming no change in the PD. If the PD increases by 50%, the rating for the Series A notes would be expected to decrease to BBB (low) (sf), assuming no change in the LGD. Furthermore, if both PD and LGD increase by 50%, the rating would be expected to decrease to BB (sf).

#### Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in LGD, expected rating of BBB (low) (sf)
- 25% increase in PD, expected rating of BBB (sf)
- 50% increase in PD, expected rating of BBB (low) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of BBB (low) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of BB (high) (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BB (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BB (sf)

For further information on DBRS historic default rates published by the European Securities and Markets Administration (ESMA) in a central repository, see:

<http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Initial Lead Analyst: Kali Sirugudi  
Initial Rating Date: 8 February 2013  
Initial Rating Committee Chair: Quincy Tang

Lead Surveillance Analyst: Elisa Scalco  
Rating Committee Chair: Quincy Tang

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# Press Release



*Insight beyond the rating*

The rating methodologies and criteria used in the analysis of this transaction can be found at:  
<http://www.dbrs.com/about/methodologies>

Legal Criteria for European Structured Finance Transactions  
Derivative Criteria for European Structured Finance Transactions  
Master European Structured Finance Surveillance Methodology  
Operational Risk Assessment for European Structured Finance Servicers  
Master European Residential Mortgage-Backed Securities Rating Methodology and Jurisdictional Addenda  
Unified Interest Rate Model for European Securitisations

<u>Issuer</u>	<u>Debt Rated</u>	<u>Rating Action</u>	<u>Rating</u>	<u>Trend</u>
Rural Hipotecario XI, Fondo de Titulización de Activos	Series A	Confirmed	A (low) (sf)	-

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