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COMUNICACIÓN DE HECHO RELEVANTE

MADRID ICO-FTVO I, FONDO DE TITULIZACIÓN DE ACTIVOS
Actuaciones sobre las calificaciones de los bonos por parte de Standard and Poor´s.

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard and Poor´s, con fecha 17 de febrero de 2015, donde se hace referencia a las siguientes actuaciones sobre las calificaciones:

- **Bono A(G)**: confirmado como **A (sf).**

En Madrid, a 18 de febrero de 2015

Ramón Pérez Hernández
Director General

Rating Affirmed On Spanish RMBS Transaction MADRID ICO-FTVPO I's Class A(G) Notes Following Criteria Updates

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OVERVIEW

- We have reviewed MADRID ICO-FTVPO I by conducting our credit and cash flow analysis under our updated Spanish RMBS criteria, our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating, and our current counterparty criteria.
- Following our review, we have affirmed our 'A (sf)' rating on the class A(G) notes.
- MADRID ICO-FTVPO I is a Spanish RMBS transaction, which closed in December 2008 and securitizes first-ranking mortgage loans. Caja de Ahorros y Monte de Piedad de Madrid (now Bankia) originated the pool, which comprises loans granted to prime borrowers, mainly located in Madrid.

LONDON (Standard & Poor's) Feb. 17, 2015--Standard & Poor's Ratings Services today affirmed its 'A (sf)' credit rating on MADRID ICO-FTVPO I, Fondo de Titulizacion de Activos' class A(G) notes.

Upon publishing our updated criteria for Spanish residential mortgage-backed securities (RMBS criteria) and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria), we placed those ratings that could potentially be affected "under criteria observation" (see "Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation," and "Italy

And Spain RMBS Methodology And Assumptions," both published on Sept. 18, 2014, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on Sept. 19, 2014).

Following our review of this transaction, our ratings that could potentially be affected by the criteria are no longer under criteria observation.

Today's affirmation follows our credit and cash flow analysis of the most recent transaction information that we have received in October 2014. Our analysis reflects the application of our RMBS criteria, our RAS criteria, and our current counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as 'moderate'. Under our RAS criteria, this transaction's notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a "severe" stress. However, if all six of the conditions in paragraph 48 of the RAS criteria are met, we could potentially assign ratings up to a maximum of six notches (two additional notches of uplift) above the sovereign rating, subject to credit enhancement being sufficient to pass an "extreme" stress (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

As our long-term rating on the Kingdom of Spain is 'BBB', our RAS criteria cap at 'AA (sf)' the maximum potential rating in this transaction for the class A(G) notes.

The transaction features an interest deferral trigger for the unrated loan B notes, set at 6% of cumulative defaults over the closing portfolio balance. We don't expect the trigger to be breached in the near term.

Credit enhancement has increased to 32.1%, from 28.7% at our previous review (see "Rating Affirmed On Spanish RMBS Transaction MADRID ICO-FTVPO I's Class A (G) Notes Due To Swap Counterparty Risk," published on March 11, 2013).

Class	Available credit enhancement (%)
A(G)	32.1
Loan B	9.8

This transaction features an amortizing reserve fund (with a floor value), which currently represents 9.8% of the outstanding balance of the mortgage assets.

Severe delinquencies of more than 90 days at 0.66% are on average lower for this transaction than our Spanish RMBS index (see "Spanish RMBS Index Report Q2/Q3 2014: Delinquencies Continue To Rise As The Housing Market Slowly Recovers," published on Jan. 2, 2015). Defaults are defined as mortgage loans in arrears for more than 12 months in this transaction. Cumulative defaults represent 0.8%. Prepayment levels remain low and the transaction is unlikely to pay down significantly in the near term, in our opinion.

After applying our RMBS criteria to this transaction, our credit analysis results show an increase in the weighted-average foreclosure frequency (WAFF) and the weighted-average loss severity (WALS) for each rating level.

Rating level	WAFF (%)	WALS (%)
AAA	26.7	34.9
AA	20.8	31.4
A	17.6	25.4
BBB	13.5	22.1
BB	9.4	19.9
B	8.2	17.8

The increase in the WAFF is mainly due to the higher seasoning only partially offsetting the higher original loan-to-value adjustments. The increase in the WALS is mainly due to the application of our revised market value decline assumptions. The overall effect is an increase in the required credit coverage for each rating level.

Following the application of our RAS criteria and our RMBS criteria, we have determined that our assigned rating on the class A(G) notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating that the class of notes can attain under our RMBS criteria, and (iii) the rating as capped by our counterparty criteria. In this transaction, while the RAS criteria cap our rating on the class A(G) notes at 'A+ (sf)', under our current counterparty criteria, our rating on this class of notes is constrained at 'A (sf)' by our current counterparty criteria.

The downgrade language in the bank account documentation in this transaction is in line with our current counterparty criteria. If we were to lower our long-term rating on Banco Santander S.A. (BBB+/Stable/A-2) as bank account provider to below the documented trigger of 'BBB', the transaction documents state that it will take remedy actions within 60 calendar days. According to our current counterparty criteria, the maximum potential rating commensurate with such a trigger is 'A (sf)'.

The transaction also benefits from an interest rate swap. If we were to lower our long-term issuer credit rating on Banco Bilbao Vizcaya Argentaria S.A. (BBB/Stable/A-2), as swap provider, to below 'BBB', the transaction documents state that it will take remedy actions within 10 business days. However, the replacement trigger in the transaction documentation constrains the rating on the notes at 'A- (sf)'. In our analysis, we have not given benefit to the swap and delinked it from our rating on the class A(G) notes because the notes can pass at a higher rating than our issuer credit rating on the swap provider. Therefore, under our current counterparty criteria, the maximum achievable rating for the class A(G) notes is 'A (sf)'.

Taking into account the results of our updated credit and cash flow analysis and the application of our RAS criteria and counterparty criteria, we have affirmed our 'A (sf)' rating on the class A(G) notes.

In our opinion, the outlook for the Spanish residential mortgage and real estate market is not benign and we have therefore increased our expected 'B' foreclosure frequency assumption to 3.33% from 2.00%, when we apply our RMBS criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Sept. 18, 2014). We base these assumptions on our expectation of modest economic growth, continuing high unemployment, and house prices leveling off in 2015.

On the back of improving but still depressed macroeconomic conditions, we don't expect the performance of the transactions in our Spanish RMBS index to improve in 2015.

We expect severe arrears in the portfolio to remain at their current levels, as there are a number of downside risks. These include inflation, weak economic growth, high unemployment, and fiscal tightening. On the positive side, we expect interest rates to remain low for the foreseeable future.

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STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties, and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at http://standardandpoorsdisclosure-17g7.com .

RELATED CRITERIA AND RESEARCH

Related Criteria

- Global Framework For Assessing Operational Risk In Structured Finance

Transactions, Oct. 9, 2014
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related Research

- Spanish RMBS Index Report Q2/Q3 2014: Delinquencies Continue To Rise As The Housing Market Slowly Recovers, Jan. 2, 2015
- Credit Conditions: The Eurozone Crawls Into 2015 With Weak Momentum, Dec. 4, 2014
- Outlook Assumptions For The Spanish Residential Mortgage Market, Sept. 18, 2014
- Low Interest Rates Are Underpinning Europe's House Price Recovery, July 28, 2014
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014

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