

C. N. M. V.
Dirección General de Mercados e Inversores
C/ Edison 4
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

MADRID RMBS IV, FONDO DE TITULIZACIÓN DE ACTIVOS

Actuaciones sobre las calificaciones de las series de bonos por parte de Standard & 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 & Poor's, con fecha 6 de marzo de 2013, donde se llevan a cabo las siguientes actuaciones:
- Serie **A1**, de **A(sf)**/ **Perspectiva de revisión negativa** a **A(sf)**
 - Serie **A2**, de **A(sf)**/ **Perspectiva de revisión negativa** a **A(sf)**
 - Serie **B**, de **A(sf)**/ **Perspectiva de revisión negativa** a **A(sf)**
 - Serie **C**, afirma **BB+(sf)**
 - Serie **D**, de **BB-(sf)** a **B+(sf)**
 - Serie **E**, de **B(sf)** a **B-(sf)**

En Madrid a 6 de marzo de 2013

Ramón Pérez Hernández
Director General

RatingsDirect®

Various Rating Actions Taken In Spanish RMBS Transaction MADRID RMBS IV Due To Swap Counterparty Risk

Surveillance Credit Analyst:

Isabel Plaza, Madrid (34) 91-788-7203; isabel_plaza@standardandpoors.com

OVERVIEW

- On Nov. 5, 2012, we placed on CreditWatch negative our ratings on MADRID RMBS IV's class A1, A2, and B notes due to the remedy actions to be taken in relation to the swap provider, Banco Bilbao Vizcaya Argentaria.
- Following our analysis to determine how much support this transaction gains from the swap, we have affirmed and removed from CreditWatch negative our ratings on the class A1, A2, and B notes.
- At the same time, we have affirmed our rating on the class C notes, and have lowered our ratings on the class D and E notes.
- MADRID RMBS IV is a Spanish RMBS transaction that securitizes a portfolio of first-ranking mortgage loans granted to individuals resident in Spain to buy a residential property. Bankia originated the loans between 1995 and 2007.

MADRID (Standard & Poor's) March 6, 2013--Standard & Poor's Ratings Services today took various credit rating actions on all classes of MADRID RMBS IV, Fondo de Titulizacion de Activos' notes, for swap counterparty risk and performance reasons.

Specifically, we have:

- Affirmed and removed from CreditWatch negative our ratings on the class A1, A2, and B notes;
- Affirmed our rating on the class C notes; and
- Lowered our ratings on the class D and E notes (see list below).

Various Rating Actions Taken In Spanish RMBS Transaction MADRID RMBS IV Due To Swap Counterparty Risk

On Nov. 5, 2012, we lowered to 'A (sf)' our ratings on the class A1, and A2 notes, where the documents were amended in order to incorporate our 2012 counterparty criteria and maintain Banco Santander S.A. (BBB/Negative/A-2) as bank account provider (see "Counterparty Risk Framework Methodology And Assumptions," published on Nov. 29, 2012, and "Rating Actions Taken In Seven Of Bankia's Spanish RMBS Transactions Following Rating Actions On Counterparties," published on Nov. 5, 2012). The downgrade provisions set the trigger to take remedy actions at a long-term issuer credit rating (ICR) below 'BBB'. The maximum achievable rating for notes in this transaction is therefore 'A (sf)'.

At the same time, we placed on CreditWatch negative our 'A (sf)' ratings on the class A1, A2, and B notes due to the remedy actions to be taken in relation to the swap provider, Banco Bilbao Vizcaya Argentaria S.A. (BBVA; BBB-/Negative/A-3). The swap documents have since been modified in order to comply with our 2012 counterparty criteria and BBVA remains as the swap provider. The revised downgrade language sets the trigger to take remedy actions at a long-term ICR below 'BBB'. The maximum achievable rating for the class A1, A2, and B notes because of swap counterparty risk is 'A- (sf)'.

We have conducted a credit, cash flow, and structural analysis to determine how much support this transaction gains from the swap, and to see if the class A1, A2, and B notes can achieve a rating higher than 'A- (sf)' without the benefit of the swap agreement. We have applied our 2012 counterparty criteria and have considered the latest available portfolio and structural features information.

Although MADRID RMBS IV had shown an important recovery after the delinquencies it experienced in 2008 and 2009, since Q4 2010, all arrears buckets have deteriorated. The level of delinquencies from November 2010 to November 2011 is worse than that in the year to November 2012. Madrid RMBS IV has always performed below our Spanish residential mortgage-backed securities (RMBS) index, but has generally followed the same trend.

On Dec. 31, 2012, the proportion of defaulted loans (net of recoveries) over the closing balance was 7.19%. The interest deferral trigger for the class E notes is close to being hit and, if performance continues to deteriorate, it could be hit in the next 12 months, in our view.

On behalf of MADRID RMBS IV, the trustee entered into a swap agreement with BBVA, the swap provider. This swap protects against adverse interest rate resetting and movements. MADRID RMBS IV pays the swap counterparty 12-month EURIBOR (Euro Interbank Offered Rate) multiplied by the balance of the performing loans (including loans up to 90 days in arrears) plus a margin of 6.5 basis points (bps). MADRID RMBS IV receives three-month EURIBOR on the performing balance of the loans (including loans up to 90 days in arrears). The documentation has been amended in order to comply with our 2012 counterparty criteria and maintain BBVA as an eligible counterparty. In accordance with the new documentation and considering our 'BBB-' long-term ICR on BBVA, it is an eligible swap provider with collateral posted in an

Various Rating Actions Taken In Spanish RMBS Transaction MADRID RMBS IV Due To Swap Counterparty Risk

independent account opened with Banco Santander.

Within the swap agreement, BBVA also participates as a counterparty of the option agreement. The option agreement is in place in order to hedge against the interest rate risk and guarantee a minimum spread on the loans that are linked to the "Indice de Referencia de Préstamos Hipotecarios" (IRPH index). This agreement guarantees 70 bps paid by BBVA over the notional which is the performing balance (including loans up to 90 days in arrears) of the loans linked to IRPH. The downgrade provisions in the option agreement are the same as those in the swap agreement.

In our cash flow analysis without giving benefit to the swap and options agreements, the class A1, A2, and B notes have sufficient credit enhancement to allow them to support 'A+ (sf)' ratings. Therefore, our ratings on the class A1, A2, and B notes are de-linked from our long-term ICR on the swap counterparty. However, the maximum rating the class A1, A2, and B notes can achieve is 'A (sf)', due to the trigger set in the bank account agreement's downgrade provisions. We have therefore affirmed and removed from CreditWatch negative our 'A (sf)' ratings on the class A1, A2, and B notes.

In our cash flow analysis without giving benefit to the swap agreement, the class C notes has sufficient credit enhancement to support a 'BB+ (sf)' rating. Therefore, our rating on the class C notes is de-linked from our long-term ICR on the swap counterparty. We have therefore affirmed our 'BB+ (sf)' rating on the class C notes.

According to our analysis, the class D and E notes cannot maintain their ratings without the support of the swap. In addition, these notes are exposed to the transaction's poor performance, the continuous reserve fund draws, and the potential activation of the class E notes' interest deferral trigger. We have therefore lowered to 'B+ (sf)' from 'BB- (sf)' our rating on the class D notes and to 'B- (sf)' from 'B (sf)' our rating on the class E notes.

MADRID RMBS IV is a Spanish RMBS transaction that securitizes a portfolio of first-ranking mortgage loans granted to individuals resident in Spain to buy a residential property. Bankia S.A. originated the loans between 1995 and 2007.

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>

Various Rating Actions Taken In Spanish RMBS Transaction MADRID RMBS IV Due To Swap Counterparty Risk

RELATED CRITERIA AND RESEARCH

Related Criteria

- Counterparty Risk Framework Methodology And Assumptions, Nov. 29, 2012
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Related Research

- Europe's Recession Is Still Dragging Down House Prices In Most Markets, Jan. 17, 2013
- S&PCORRECT: Various Rating Actions On Spanish Banks Due To Rising Economic Risks, Nov. 23, 2012
- Rating Actions Taken In Seven Of Bankia's Spanish RMBS Transactions Following Rating Actions On Counterparties, Nov. 5, 2012
- Various Rating Actions On Spanish Financial Institutions Following Sovereign Downgrade, Oct. 15, 2012
- Spain Ratings Lowered To 'BBB-/A-3' On Mounting Economic And Political Risks; Outlook Negative, Oct. 10, 2012
- Scenario Analysis: What's Driving Spanish Mortgage Arrears, April 13, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Spanish RMBS Index Reports, published quarterly

RATINGS LIST

Class	Rating	
	To	From

MADRID RMBS IV, Fondo de Titulizacion de Activos
€2.4 Billion Mortgage-Backed Floating-Rate Notes

Ratings Affirmed And Removed From CreditWatch Negative

A1	A (sf)	A (sf)/Watch Neg
A2	A (sf)	A (sf)/Watch Neg
B	A (sf)	A (sf)/Watch Neg

Rating Affirmed

Various Rating Actions Taken In Spanish RMBS Transaction MADRID RMBS IV Due To Swap Counterparty Risk

C BB+ (sf)

Ratings Lowered

D B+ (sf) BB- (sf)

E B- (sf) B (sf)

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2013 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

McGRAW-HILL