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COMUNICACIÓN DE HECHO RELEVANTE

MADRID RESIDENCIAL 1, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Moody'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 Moody's, con fecha 28 de enero de 2019, donde se llevan a cabo las siguientes actuaciones:

- Bono A: bajada a **Aa2 (sf)**; anteriormente, el 25 de abril de 2018, subida a **Aa1 (sf)**.

En Madrid, a 28 de enero de 2019

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Consejero Delegado

Rating Action: Moody's downgrades the ratings of three Spanish RMBS transactions following the replacement in Issuer Account Bank

28 Jan 2019

Madrid, January 28, 2019 -- Moody's Investors Service ("Moody's") has today downgraded the ratings of three Notes in three Spanish RMBS deals issued by Madrid Residencial I, FTA, Madrid Residencial II, FTA and Madrid RMBS IV, FTA.

The rating action reflects the replacement of Banco Santander S.A. (Spain) ("Banco Santander") (A2, LT Bank Deposits) with Bankia, S.A. ("Bankia") (Baa2, LT Bank Deposits) as issuer account bank, in the three transactions.

Please refer to the end of the Ratings Rationale section for a list of affected ratings.

RATINGS RATIONALE

The rating action is prompted by change of issuer account bank in the transactions from Banco Santander to Bankia.

Bankia was appointed as the new Issuer Account Bank, via a deed of amendment taking over the function as Issuer Account Bank, substantially under the same terms as agreed with the previous Issuer Account Bank. The transfer trigger remains unchanged at Baa3. As a result, the ratings of the Notes are constrained by the issuer account bank exposure, resulting in the downgrade of the affected Notes.

Today's rating actions took into consideration the Notes' exposure to relevant counterparties, such as servicer or swap providers.

Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its lifetime loss expectation for the portfolio reflecting the collateral performance to date. The performance of the transactions has continued to be stable since last rating action in April 2018. Moody's maintained the expected loss assumption for the three transactions.

Moody's has also assessed loan-by-loan information as a part of its detailed transaction review to determine the credit support consistent with target rating levels and the volatility of future losses. The MILAN CE assumption of the three transactions remained unchanged.

Principal Methodology

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework" published in September 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

The Credit Ratings for this rating action were assigned in accordance with Moody's existing Methodology entitled "Moody's Approach to Rating RMBS Using the MILAN Framework" dated 11 September 2017. Please note that on 14 November 2018, Moody's released a Request for Comment, in which it has requested market feedback on potential revisions to its Methodology for RMBS Using the MILAN Framework. If the revised Methodology is implemented as proposed, the Credit Ratings may be NEUTRALLY affected. Please refer to Moody's Request for Comment, titled "Proposed Update to Moody's Approach to Rating RMBS Using the MILAN Framework" for further details regarding the implications of the proposed Methodology revisions on certain Credit Ratings.

The analysis undertaken by Moody's at the initial assignment of ratings for RMBS securities may focus on aspects that become less relevant or typically remain unchanged during the surveillance stage. Please see "Moody's Approach to Rating RMBS Using the MILAN Framework" for further information on Moody's analysis at the initial rating assignment and the on-going surveillance in RMBS.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include: (1) performance of the underlying collateral that is better than Moody's expected; (2) deleveraging of the capital structure; (3) improvements in the credit quality of the transaction counterparties; and (4) a decrease in sovereign risk.

Factors or circumstances that could lead to a downgrade of the ratings include: (1) an increase in sovereign risk; (2) performance of the underlying collateral that is worse than Moody's expected; (3) deterioration in the Notes' available credit enhancement; and (4) deterioration in the credit quality of the transaction counterparties.

LIST OF AFFECTED RATINGS

Madrid Residencial I, FTA

...EUR607.7M Notes, Downgraded to Aa2 (sf); previously on Apr 25, 2018 Upgraded to Aa1 (sf)

Madrid Residencial II, FTA

...EUR456.0M Class A Notes, Downgraded to Aa2 (sf); previously on Apr 25, 2018 Upgraded to Aa1 (sf)

MADRID RMBS IV, FTA

...EUR835.2M Class A2 Notes, Downgraded to Aa2 (sf); previously on Apr 25, 2018 Upgraded to Aa1 (sf)

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or Note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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