

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 los bonos por parte de Standard and Poors Global Ratings.

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 Global Ratings, con fecha 29 de mayo de 2019, donde se llevan a cabo las siguientes actuaciones:

- Bono A2, afirmado como **A (sf)**.
- Bono B, afirmado como **A (sf)**.
- Bono C, subida a **BBB (sf)** desde **BB+ (sf)**.
- Bono D, afirmado como **B (sf)**.
- Bono E, subida a **B (sf)** desde **B- (sf)**.

En Madrid a 31 de mayo de 2019

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Various Rating Actions Taken On MADRID RMBS IV's Notes Following Review

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OVERVIEW

- We have reviewed MADRID RMBS IV by conducting our credit and cash flow analysis under our relevant criteria.
- Following our review, we have raised our ratings on the class C and E notes. At the same time, we have affirmed our ratings on the class A2, B, and D notes.
- MADRID RMBS IV is a Spanish RMBS transaction, which securitizes first-ranking mortgage loans granted to individuals resident in Spain. Caja Madrid (now Bankia) originated the loans in the pool between 1995 and 2007.

MADRID (S&P Global Ratings) May 29, 2019--S&P Global Ratings today raised its credit ratings on MADRID RMBS IV, Fondo de Titulizacion de Activos' class C and E notes. At the same time, we affirmed our ratings on the class A2, B, and D notes (see list below).

Today's rating actions reflect our full analysis of the most recent transaction information that we have received under our relevant criteria and the transaction's current structural features.

We have applied our revised structured finance counterparty criteria (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019).

Bankia S.A. (BBB/Stable/A-2) holds the collection account in the name of the servicer, which is also Bankia. The documents reflect that two days after receiving the collections, which are evenly distributed during the month, the available funds are transferred to the transaction account in the name of the fund. Consequently, the transaction is exposed to commingling risk. We have therefore stressed commingling risk as a loss of one month of interest and principal collections for rating levels above our long-term issuer credit rating (ICR) on Bankia, in line with our European residential loans criteria. As a consequence, in our analysis, we have weak-linked our ratings on the class C, D, and E notes to the long-term ICR on Bankia, as collection account provider.

Bankia S.A. (BBB/Stable/A-2) is the transaction account provider. Our counterparty criteria classify the support provided by this counterparty as limited bank account support. The downgrade language in the transaction account agreement caps the ratings on the notes at 'A', in line with our current counterparty criteria. We have therefore affirmed our 'A (sf)' ratings on the class A2 and B notes.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Assessing Pools Of European Residential Loans ," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign.

Our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level is 0.9% and our foreclosure frequency assumption is 2.00% for the archetypal pool at the 'B' rating level.

Below are the credit analysis results after applying our European residential loans criteria to this transaction.

Rating level	WAFF (%)	WALS (%)
AAA	36.94	51.11
AA	25.48	45.32
A	19.31	35.61
BBB	14.31	29.79
BB	9.26	25.58
B	5.40	21.75

WAFF--Weighted-average foreclosure frequency.

WALS--Weighted-average loss severity.

The credit enhancement for all classes of notes has increased since our 2018 review to 33.60%, 26.46%, 17.60%, 11.32%, and 8.18%, from 30.91%, 24.21%, 15.91%, 10.01%, and 7.06%, respectively, due to the collateral's amortization and the reserve fund's partial replenishment.

Following the application of our revised criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our sovereign risk criteria; (ii) the rating as capped by our counterparty criteria; and (iii) the rating that the class of notes can attain under our European residential loans criteria.

In our cash flow analysis the class A2 and B notes are able to pass at higher ratings than those currently assigned, however the application of our counterparty criteria caps our ratings on these notes at 'A (sf)'. We have therefore affirmed our 'A (sf)' ratings on these classes of notes.

Our credit and cash flow results indicate that the available credit enhancement for the class C and E notes is commensurate with higher ratings than those currently assigned. We have therefore raised to 'BBB+ (sf)' from 'BBB (sf)' and to 'B (sf)' from 'B- (sf)' our ratings on the class C and E notes, respectively. The class D notes have sufficient credit enhancement to withstand our 'B' stresses. We have therefore affirmed our 'B (sf)' rating on this class of notes. We did not apply commingling loss at the 'BBB' and below rating levels under our cash flow analysis. Therefore, our ratings on the class C, D, and E notes are weak-linked to the rating on Bankia as collection account provider.

MADRID RMBS IV is a Spanish residential mortgage-backed securities (RMBS) transaction, which securitizes first-ranking mortgage loans granted to individuals resident in Spain. Caja Madrid (now Bankia) originated the loans in the pool between 1995 and 2007.

RELATED CRITERIA

- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria - Structured Finance - General: Global Derivative Agreement Criteria, June 24, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises

Various Rating Actions Taken On MADRID RMBS IV's Notes Following Review

Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- European Economic Snapshots: Domestic Demand Still A Safety Net, April 12, 2019
- Spain 'A-/A-2' Ratings Affirmed; Outlook Positive, March 22, 2019
- European RMBS Index Report 2018, Feb. 19, 2019
- Spanish RMBS Index Report Q4 2018, Feb. 19, 2019
- Europe's Housing Markets Ease Off The Accelerator, Feb. 19, 2019
- Why 2019 Could Be A Good Year For Spanish RMBS Ratings, Feb. 6, 2019
- Various Rating Actions Taken In Spanish Transactions MADRID RMBS I And MADRID RMBS IV Following Review, May 29, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

RATINGS RAISED

MADRID RMBS IV, Fondo de Titulizacion de Activos

Class	Rating	
	To	From
C	BBB (sf)	BB+ (sf)
E	B (sf)	B-(sf)

RATINGS AFFIRMED

MADRID RMBS IV, Fondo de Titulizacion de Activos

Class	Rating
A2	A (sf)
B	A (sf)
D	B (sf)

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