

MOODY'S

INVESTORS SERVICE

Announcement: Moody's: No rating impact on notes issued by MBS Bancaja 1 Fondo de Titulizacion de Activos following Royal Bank of Scotland plc. downgrade

Global Credit Research - 27 May 2014

London, 27 May 2014 -- Moody's Investors Service (Moody's) has announced today that the execution of a deed poll ("Deed Poll") by Royal Bank of Scotland plc ("RBS") relating to a swap agreement ("Swap Agreement") between MBS Bancaja 1 Fondo de Titulizacion de Activos ("the Issuer") and RBS would not, in and of itself and as of this time, result in the downgrade or withdrawal of the notes issued by the Issuer.

On 13 March 2014, Moody's downgraded the long term senior unsecured rating of RBS to Baa1 from A3 (https://www.moodys.com/research/PR_294433). This resulted in a ratings downgrade event under the Swap Agreement. The Swap Agreement contemplates several alternative remedial actions that RBS may take following a ratings event. The remedial actions are - by way of paraphrase - (a) transferring the Swap Agreement to a third party, (b) obtaining a guarantee, or (c) taking some other action that Moody's has confirmed will not negatively affect the ratings of the notes. RBS proposes to take remedial action under (c) by executing the Deed Poll.

Pursuant to the Deed Poll, RBS will undertake in favour of the Issuer (i) to deliver collateral pursuant to the Credit Support Annex and (ii) should the long-term rating of RBS fall below Baa1, which is the newly introduced Qualifying Transfer Trigger Rating, to (a) transfer the Swap Agreement to a third party, (b) obtain a guarantee, or (c) take some other action that Moody's has confirmed will not negatively affect the ratings of the notes.

In assessing the impact of the downgrade of RBS and remedies put in place, Moody's considered the current level of the notes ratings and the form of hedging in applying Moody's approach to assessing swap counterparties as described in Approach to Assessing Swap Counterparties in Structured Finance Cash Flow Transactions published in November 2013. Moody's opinion addresses only the credit impact associated with the proposed amendment, and Moody's is not expressing any opinion as to whether the amendment has, or could have, other non-credit related effects that may have a detrimental impact on the interests of note holders and/or counterparties.

The principal methodology used in this rating was Moody's Approach to Rating RMBS Using the MILAN Framework published in March 2014. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

Moody's will continue monitoring the ratings. Any change in the ratings will be publicly disseminated by Moody's through appropriate media.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

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