

C. N. M. V.
C/ Edison 4
Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

MADRID RMBS III, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Moody's Ratings.

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica la siguiente Información Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Moody's Ratings, con fecha 17 de diciembre de 2024, donde se llevan a cabo las siguientes actuaciones:

- Bono A3, afirmado como **A1(sf)**.
- Bono B, subida a **Ba2(sf)** desde **B2(sf)**.
- Bono C, afirmado como **Caa1(sf)**.
- Bono D, afirmado como **C (sf)**.
- Bono E, afirmado como **C(sf)**.

En Madrid a 2 de enero de 2025

Ramón Pérez Hernández
Consejero Delegado

MOODY'S

RATINGS

Rating Action: Moody's Ratings upgrades Class B Notes in MADRID RMBS III, FTA

17 Dec 2024

Madrid, December 17, 2024 -- Moody's Ratings (Moody's) has today upgraded the rating of Class B notes in MADRID RMBS III, FTA. The rating action reflects better than expected collateral performance and the increased level of credit enhancement for the affected notes.

We affirmed the ratings of the notes that had sufficient credit enhancement to maintain their current ratings.

...EUR497M Class A3 Notes, Affirmed Aa1 (sf); previously on Oct 26, 2023 Upgraded to Aa1 (sf)

...EUR55.5M Class B Notes, Upgraded to Ba2 (sf); previously on Oct 26, 2023 Affirmed B2 (sf)

...EUR90M Class C Notes, Affirmed Caa1 (sf); previously on Oct 26, 2023 Affirmed Caa1 (sf)

...EUR72M Class D Notes, Affirmed C (sf); previously on Sep 11, 2009 Downgraded to C (sf)

...EUR52.5M Class E Notes, Affirmed C (sf); previously on Sep 11, 2009 Downgraded to C (sf)

Maximum achievable rating is Aa1 (sf) for structured finance transactions in Spain, driven by the corresponding local currency country ceiling of the country.

RATINGS RATIONALE

Increase in Available Credit Enhancement

The credit enhancement for the Class B notes affected by today's rating action increased to 36.4% from 28.0% from the last rating action.

All interest payments for Classes B to D are deferred after breaching the cumulative defaults triggers more than ten years ago. The interest payments of the Class B notes will remain deferred to a position ranking junior in the priority of payments until the Class A3 notes have been repaid in full. Following the higher amounts of recoveries received in recent payment dates, the unpaid interest amount of Class B has been cured, Class C also started to receive interest at the last payment date but will still take some time to cure. None of the classes benefit from accrued interest on unpaid interest. The reserve fund is fully depleted, and unpaid interest on Class C (EUR7.7 million) and Class D (EUR12.9 million) rank senior to the replenishment of this reserve fund. If excess spread and recoveries are not enough to cover principal deficiency in a specific payment date, the payment of interest on Class B will not be made at that time and will be postponed. We have factored this risk in our analysis.

Revision of Key Collateral Assumptions

As part of the rating action, we reassessed our lifetime loss expectation for the portfolio reflecting the collateral performance to date.

The performance of the transaction has continued to improve since last year. Total delinquencies have decreased in the past year, with 90 days plus arrears currently standing at 0.69% of current pool balance. Cumulative defaults currently stand at 24.16% of original pool balance.

We decreased the expected loss assumption to 4.7% as a percentage of current pool balance from 5.82% due to the improved performance. The revised expected loss assumption corresponds to 12.80% as a percentage of original pool balance, down from 13.04%.

We have also assessed loan-by-loan information as a part of our detailed transaction review to determine the credit support consistent with target rating levels and the volatility of future losses. As a result, we have decreased the MILAN Stressed Loss assumption to 13.6% from 16.2%.

The principal methodology used in these ratings was "Residential Mortgage-Backed Securitizations" published in October 2024 and available at <https://ratings.moodys.com/rmc-documents/429877>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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 Residential Mortgage-Backed Securitizations methodology 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 we expected, (2) an increase in available credit enhancement, (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 we expected, (3) deterioration in the notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating 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.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>.

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Please see the issuer/deal page on <https://ratings.moodys.com> for additional regulatory disclosures for each credit rating.

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