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COMUNICACIÓN DE HECHO RELEVANTE

AUTO ABS SPANISH LOANS 2016, FONDO DE TITULIZACIÓN Actuaciones sobre las calificaciones de los bonos por parte de DBRS Ratings Limited.

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 DBRS Ratings Limited con fecha 30 de julio de 2018, donde se llevan a cabo las siguientes actuaciones:

- Clase A, confirmado en **AAA (sf)**.
- Clase B, a **AA Low (sf)** desde **A (High) (sf)**

En Madrid a 31 de julio de 2018

Ramón Pérez Hernández
Consejero Delegado



Date of Release: July 30, 2018

DBRS Confirms and Upgrades Ratings of Auto ABS Spanish Loans 2016, Fondo de Titulización

Industry: Sec.--Auto

DBRS Ratings Limited (DBRS) took the following rating actions regarding the Class A Notes and Class B Notes (together, the Rated Notes) issued by Auto ABS Spanish Loans 2016, Fondo de Titulización (the Issuer):

- Class A Notes confirmed at AAA (sf)
- Class B Notes upgraded to AA (low) (sf) from A (high) (sf)

Additionally, DBRS removed the Under Review with Positive Implications (UR-Pos.) status of the rating on the Class B Notes. The rating was placed UR-Pos. on 30 April 2018 following the upgrade of the Kingdom of Spain's (Spain) Long-Term Foreign and Local Currency – Issuer Ratings to “A” from A (low). For more information, see DBRS's press release entitled “DBRS Upgrades the Kingdom of Spain to A, Stable Trend” published on 6 April 2018.

The rating actions follow an annual review of the transaction and are based on the following analytical considerations:

- The updated default rates and expected loss assumptions, reflecting the upgrade of the Spanish sovereign rating and the current portfolio composition;
- The overall portfolio performance as of the June 2018 payment date, particularly with regard to delinquencies and defaults; and
- The current level of credit enhancement (CE) available to the Rated Notes to cover the expected losses assumed in line with their respective rating levels.

The ratings on the Rated Notes address the timely payment of interest and ultimate payment of principal on or before the Legal Maturity Date in September 2032.

The Issuer is a Spanish securitisation of auto loan receivables granted and serviced by PSA Financial Services Spain EFC S.A. (PSA Spain), a joint venture equally held by Banque PSA Finance and Santander Consumer Finance SA (SCF). The transaction closed in October 2016 and had an 18-month revolving period which ended in March 2018.

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As at 28 June 2018, the balance of the Class A Notes was EUR 553.3 million, the balance of the Class B Notes was EUR 52.9 million and the balance of the Class C Notes was EUR 29.9 million. The EUR 636.1 million portfolio (excluding defaulted receivables) includes loans granted to finance the purchase of new (86.0% of the pool) and used vehicles (14.0%). The structure also includes the EUR 6.2 million Class D Notes, which were issued to fund the Reserve Fund.

PORTFOLIO PERFORMANCE

As at the June 2018 payment date, one- to two month and two- to three-month delinquencies represented 0.5% and 0.1% of the principal outstanding balance of the portfolio, respectively, while delinquencies more than three months were 0.1%. The cumulative gross default ratio, as a percentage of the original portfolio and cumulative transferred receivables, was 0.2%, with cumulative recoveries of 50.7%.

PORTFOLIO ASSUMPTIONS

DBRS updated its expected probability of default (PD) and its base case recovery rate (RR) assumptions to 5.3% and 36.4%, respectively, considering the current portfolio composition. Additionally, the sovereign-adjusted PD and RR assumptions were updated to 5.4% and 36.3%, reflecting DBRS's upgrade of Spain's Long-Term Foreign Currency rating to "A" with a Stable trend on 6 April 2018.

CREDIT ENHANCEMENT

CE is provided by the subordination of the junior obligations and the Reserve Fund. As at the June 2018 payment date, the Class A Notes' CE was 14.0% and the Class B Notes' CE was 5.7%.

The Reserve Fund is available to cover senior expenses and interest shortfalls on the Rated Notes. Since closing, this account has been funded with EUR 6.2 million and its target level is set at 1.7% of the aggregate balance of the Rated Notes and the Class C Notes, subject to a EUR 3.1 million floor.

SCF is the Account Bank for the transaction. On the basis of the DBRS private ratings of SCF and the mitigants outlined in the transaction documents, DBRS considers the risk arising from the exposure to the Account Bank to be consistent with the ratings assigned to the Rated Notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

The transaction is exposed to interest rate risk as the Class A Notes are indexed to one-month Euribor and the securitised loans pay fixed interest rates. In order to mitigate this interest rate mismatch, the Issuer entered into an interest rate swap agreement with ABN AMRO Bank N.V. (ABN). The DBRS Long Term Critical Obligations Rating of ABN at AA is consistent with the rating assigned to the



Class A Notes, as described in DBRS's "Derivative Criteria for European Structured Finance Transactions".

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is the "Master European Structured Finance Surveillance Methodology".

DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology.

A review of the transaction legal documents was not conducted as the documents have remained unchanged since the most recent rating action.

Other methodologies referenced in this transaction are listed at the end of this press release. These may be found on www.dbrs.com at: <http://www.dbrs.com/about/methodologies>.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to "Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings" of the "Rating Sovereign Governments" methodology at: <http://dbrs.com/research/319564/rating-sovereign-governments.pdf>.

The sources of data and information used for these ratings include reports provided by Titulización de Activos, S.G.F.T., S.A (the Management Company) and loan-by-loan data from the European DataWarehouse GmbH.

DBRS did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial rating, DBRS was supplied with third-party assessments. However, this did not impact the rating analysis.

DBRS considers the data and information available to it for the purposes of providing these ratings to be of satisfactory quality.

DBRS does not audit or independently verify the data or information it receives in connection with the rating process.

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The last rating action on this transaction took place on 30 April 2018, when DBRS placed the Class B Notes rating UR-Pos., following the Spanish sovereign rating upgrade. Prior to that, on 1 September 2017 DBRS confirmed its Class A Notes and Class B Notes at AAA (sf) and A (high) (sf), respectively.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at www.dbrs.com.

To assess the impact of changing the transaction parameters on the rating, DBRS considered the following stress scenarios as compared with the parameters used to determine the rating (the “Base Case”):

-- DBRS expected a lifetime base case PD and loss given default (LGD) for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

-- The base case PD and LGD of the current pool are 5.3% and 36.4%, respectively, excluding sovereign stress.

-- The Risk Sensitivity overview below illustrates the ratings expected for the Rated Notes if the PD and LGD increase by certain percentages over the base case assumptions. For example, if the LGD increases by 50%, the rating of the Class A Notes would be expected to decrease to AA (sf) and the rating of the Class B Notes to A (sf), all else being equal. If the PD increases by 50%, the rating of the Class A Notes would be expected to decrease to AA (sf) and the rating of the Class B Notes to A (sf), all else being equal. Furthermore, if both the PD and LGD increase by 50%, the rating of the Class A Notes would be expected to decrease to A (sf) and the rating of the Class B Notes to BBB (sf), all else being equal.

Class A Notes risk sensitivity:

- 25% increase in LGD, expected rating of AAA (sf)
- 50% increase in LGD, expected rating of AA (sf)
- 25% increase in PD, expected rating of AA (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of AA (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of AA (low) (sf)
- 50% increase in PD, expected rating of AA (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of AA (low) (sf)



-- 50% increase in PD and 50% increase in LGD, expected rating of A (sf)

Class B Notes risk sensitivity:

- 25% increase in LGD, expected rating of AA (low) (sf)
- 50% increase in LGD, expected rating of A (sf)
- 25% increase in PD, expected rating of A (high) (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in PD, expected rating of A (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BBB (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (sf)

For further information on DBRS historic default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see:

<http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU and US regulations only.

Lead Analyst: Joana Seara da Costa, Assistant Vice President
Rating Committee Chair: Gareth Levington, Managing Director
Initial Rating Date: 14 September 2016

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The rating methodologies used in the analysis of this transaction can be found at:
<http://www.dbrs.com/about/methodologies>.

- Master European Structured Finance Surveillance Methodology
- Rating European Consumer and Commercial Asset-Backed Securitizations
- Legal Criteria for European Structured Finance Transactions
- Derivative Criteria for European Structured Finance Transactions
- Interest Rate Stresses for European Structured Finance Transactions
- Operational Risk Assessment for European Structured Finance Servicers

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-- Operational Risk Assessment for European Structured Finance Originators

A description of how DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at: <http://www.dbrs.com/research/278375>.

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Auto ABS Spanish Loans 2016, Fondo de Titulización	Class A Notes (ES0305194005)	Confirmed	AAA (sf)	--	Jul 30, 2018
Auto ABS Spanish Loans 2016, Fondo de Titulización	Class B Notes (ES0305194013)	Upgraded	AA (low) (sf)	--	Jul 30, 2018

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