

C. N. M. V.  
Dirección General de Mercados e Inversores  
C/ Edison, 4  
Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **AUTO ABS SPANISH LOANS 2018-1, FONDO DE TITULIZACIÓN Actuaciones sobre las calificaciones de los bonos por parte de DBRS.**

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 con fecha 16 de Septiembre de 2019, donde se llevan a cabo las siguientes actuaciones:

- Clase A, confirmado en **AAA (sf) / Perspectiva estable.**

En Madrid a 17 de Septiembre de 2019

Ramón Pérez Hernández  
Consejero Delegado

# DBRS Confirms Rating on Auto ABS Spanish Loans 2018-1 F.T.



**September 16, 2019**

DBRS Ratings GmbH (DBRS) confirmed the rating on the Class A Notes issued by Auto ABS Spanish Loans 2018-1 F.T. (the Issuer) at AAA (sf).

The rating on the Class A Notes addresses the timely payment of interest and ultimate payment of principal on or before the legal final maturity date in June 2029.

The confirmation follows an annual review of the transaction and is based on the following analytical considerations:

- Portfolio performance, in terms of delinquencies, defaults and losses, as of the August 2019 payment date;
- Probability of default (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables;
- Current available credit enhancement (CE) to the Notes to cover the expected losses at the AAA (sf) rating level;
- No revolving termination events have occurred.

The Issuer is a securitisation of Spanish auto loan receivables originated and serviced by PSA Financial Services Spain EFC S.A., a joint venture equally held by Banque PSA Finance and Santander Consumer Finance SA (SCF). The transaction closed in September 2018 and has an 18-month revolving period expected to end in March 2020, when the Class A Notes will begin to amortise. Concentration limits are in place to mitigate against any negative evolution of the portfolio, and performance triggers are included in the Revolving Period Termination Events. To date, all triggers are being met.

## PORTFOLIO PERFORMANCE

As of August 2019, loans that were one to two months and two to three months delinquent represented 0.2% and 0.04% of the portfolio balance, respectively, while loans more than three months delinquent represented 0.01%. Gross cumulative defaults amounted to 0.04% of the aggregate original and subsequent portfolios, 21.8% of which have been recovered.

## PORTFOLIO ASSUMPTIONS

DBRS conducted a loan-by-loan review of the remaining pool of receivables and has maintained its base case PD and LGD assumptions at 2.8% and 53.3%, respectively, based on the worst-case portfolio composition, given the transaction is still within its envisaged revolving period.

#### CREDIT ENHANCEMENT

As of the August 2019 payment date, CE to the Class A Notes was 8.6%, stable since the DBRS initial rating due to the inclusion of the revolving period. CE is provided by the subordination of the Class B notes and the cash reserve.

The transaction benefits from a cash reserve available to cover senior expenses and interest shortfalls on the Class A Notes. This reserve has been funded at closing to EUR 5.3 million and does not amortise during the revolving period. Additionally, the cash reserve can be used to offset any amounts debited to the principal deficiency ledger, providing credit support to the Class A Notes.

SCF acts as the account bank for the transaction. Based on the DBRS private rating of SCF, the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS considers the risk arising from the exposure to the account bank to be consistent with the rating assigned to the Class A Notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.

Banco Santander SA acts as the swap counterparty for the transaction. DBRS's Long-Term Critical Obligations Rating (COR) of Banco Santander SA at AA (low) is above the First Rating Threshold as described in DBRS's "Derivative Criteria for European Structured Finance Transactions" methodology.

The transaction structure was analysed in Intex DealMaker.

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.

An asset and a cash flow analysis were both conducted. Due to the inclusion of a revolving period in the transaction, the analysis continues to be based on the worst-case replenishment criteria set forth in the transaction legal documents.

A review of the transaction legal documents was not conducted as the legal 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](http://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/333487/rating-sovereign-governments.pdf>.

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

This is the first rating action since the Initial Rating Date.

The lead analyst responsibilities for this transaction have been transferred to Daniel Rakhamimov.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at [www.dbrs.com](http://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 LGD for the pool based on the worst-case replenishment

criteria. 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 of loans for the Issuer are 2.8% and 53.3% respectively.

-- The Risk Sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption.

Class A Notes Risk Sensitivity:

-- 25% increase in LGD, expected rating of AA (high) (sf)

-- 50% increase in LGD, expected rating of AA (high) (sf)

-- 25% increase in PD, expected rating of AAA (sf)

-- 50% 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 (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 (high) (sf)

For further information on DBRS historical 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 GmbH are subject to EU and US regulations only.

Lead Analyst: Daniel Rakhamimov, Senior Financial Analyst

Rating Committee Chair: Alfonso Candelas, Senior Vice President

Initial Rating Date: 20 September 2018

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

-- Legal Criteria for European Structured Finance Transactions

-- Master European Structured Finance Surveillance Methodology

- Operational Risk Assessment for European Structured Finance Servicers
- Rating European Consumer and Commercial Asset-Backed Securitisations
- Interest Rate Stresses for European Structured Finance Transactions
- Derivative Criteria for European Structured Finance Transactions
- 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](http://www.dbrs.com) or contact us at [info@dbrs.com](mailto:info@dbrs.com).

## Ratings

### Auto ABS Spanish Loans 2018-1 F.T.

Date Issued	Debt Rated	Action	Rating	Trend	Issued
16-Sep-19	Class A Notes	Confirmed	AAA (sf)	--	<b>EU</b>

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