

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **DRIVER ESPAÑA FOUR, 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 24 de junio de 2019, donde se lleva a cabo la siguiente actuación:

- Serie A, confirmado en **AAA(sf)**.
- Serie B, confirmado en **AA(sf)**.

En Madrid a 25 de junio de 2019

Ramón Pérez Hernández  
Consejero Delegado

# DBRS Confirms Ratings on Driver España four, Fondo de Titulización



Auto ABS

**June 24, 2019**

DBRS Ratings GmbH (DBRS) confirmed its ratings on the Class A Notes and Class B Notes (together, the Notes) issued by Driver España four, Fondo de Titulización (the Issuer) at AAA (sf) and AA (sf), respectively.

The ratings address the timely payment of interest and ultimate payment of principal on or before the legal final maturity date.

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

- Portfolio performance, in terms of delinquencies, defaults and losses.
- Probability of default (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables.
- Current available credit enhancement to the notes to cover the expected losses at their respective rating levels.

The Issuer is a securitisation of Spanish auto loans originated and serviced by Volkswagen Finance, S.A., E.F.C. (VWFE). As of the May 2019 payment date, the EUR 421.7 million portfolio consisted of loans granted to both private (84.7% of the outstanding discounted principal balance) and corporate (15.3%) clients for the purchase of new (82.8%) and used (17.2%) vehicles. The transaction closed in June 2017.

## PORTFOLIO PERFORMANCE

As of May 2019, loans that were two- to three-months in arrears represented 0.2% of the outstanding portfolio balance, up from 0.1% in May 2018. The 90+ delinquency ratio was 0.3%, up from 0.1% in May 2018. The cumulative loss ratio was 0.2%.

## PORTFOLIO ASSUMPTIONS

DBRS updated its PD and LGD base case assumptions considering the current pool composition to

2.2% and 60.0% from 2.2% and 60.1%, respectively.

## CREDIT ENHANCEMENT

The transaction has a sequential/pro rata amortisation structure whereby all principal payments from the receivables pay down the Class A Notes until Class A overcollateralisation (OC) reaches its target level of 21.0%. As of the May 2019 payment date, the Class A Notes' OC was 21.0% and the Class B Notes' OC was 14.8%, up from 15.8% and 12.1%, respectively, in May 2018.

The transaction benefits from a cash collateral account of EUR 11.0 million available to cover senior expenses and missed interest payments on the Notes.

BNP Paribas Securities Services, Spanish branch acts as the account bank for the transaction. Based on the DBRS private rating of BNP Paribas Securities Services, Spanish branch, 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.

Royal Bank of Canada, London (RBC-London) branch acts as the swap counterparty for the transaction. The current rating of Royal Bank of Canada – RBC-London's parent company – at AA (high) is consistent with the First Rating Threshold as defined 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.

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 VWFE, 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 not 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.

The last rating action on this transaction took place on 25 June 2018, when DBRS confirmed the rating of the Class A Notes at AAA (sf) and upgraded the rating of the Class B Notes to AA (sf).

The lead analyst responsibilities for this transaction have been transferred to Alfonso Candelas.

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 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 of loans for the Issuer are 2.2% and 60.0%, 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. For example, if the LGD increases by 50%, the rating of the Class A Notes would be expected to fall to AA (sf), assuming no change in the PD. If the PD increases by 50%, the rating of the Class A Notes would be expected to fall to AA (sf), assuming no

change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating of the Class A Notes would be expected to fall to A (low) (sf).

Class A Notes Risk Sensitivity:

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

Class B Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of A (high) (sf)
- 50% increase in LGD, expected rating of A (low) (sf)
- 25% increase in PD, expected rating of A (high) (sf)
- 50% increase in PD, expected rating of A (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of A (low) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of BBB (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BBB (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (low) (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: Alfonso Candelas, Senior Vice President

Rating Committee Chair: Christian Aufsatz, Managing Director

Initial Rating Date: 17 May 2017

DBRS Ratings GmbH

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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

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

### Driver España four, Fondo de Titulización

Date Issued	Debt Rated	Action	Rating	Trend	Issued
24-Jun-19	Class A Notes	Confirmed	AAA (sf)	--	<b>EU</b>
24-Jun-19	Class B Notes	Confirmed	AA (sf)	--	<b>EU</b>

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