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Dirección General de Mercados e Inversores
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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 25 de junio de 2018, donde se lleva a cabo la siguiente actuación:

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

En Madrid a 26 de junio de 2018

Ramón Pérez Hernández
Consejero Delegado



Insight beyond the rating.

Date of Release: June 25, 2018

DBRS Takes Rating Actions on Notes Issued by Driver España four, Fondo de Titulización

Industry: Sec.--Auto

DBRS Ratings Limited (DBRS) took the following rating actions on the notes issued by Driver España four, Fondo de Titulización (the issuer):

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

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

- The portfolio performance, in terms of level of delinquencies and cumulative net losses, as of the May 2018 payment date;
- Revised default rate and expected loss assumptions for the remaining collateral pool;
- The current levels of credit enhancement (CE) available to the Class A and Class B Notes to cover expected losses assumed at the AAA (sf) and AA (sf) rating levels.

The ratings address the timely payment of interest and the ultimate repayment of principal on or before the legal maturity date in April 2028.

The issuer is a securitisation of Spanish auto loans originated and serviced by Volkswagen Finance, S.A., E.F.C. (VWFE). As of the April 2018 payment date, the EUR 716.0 million portfolio consisted of loans granted to both private (84.0% of the outstanding discounted principal balance) and corporate (16.1%) clients for the purchase of new (82.0%) and used (18.0%) vehicles. The transaction closed in June 2017.

PORTFOLIO PERFORMANCE

As of the May 2018 payment date, 30-day to 60-day delinquencies represented 0.3% of the outstanding principal balance and 60-day to 90-day delinquencies represented less than 0.1%, while delinquencies greater than 90 days represented 0.1%. The gross cumulative defaults as a ratio of the original portfolio were 0.1%, of which 13.8% have been recovered so far.

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PORTFOLIO ASSUMPTIONS

DBRS has updated its probability of default (PD) and loss given default (LGD) base case assumptions considering the current pool and the Spanish sovereign rating to 2.2% and 60.1% from 2.3% and 61.0%, 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 April 2018 payment date, the Class A Notes' OC was 15.8% and the Class B Notes' OC was 12.1%; up from 11.2% and 8.6%, respectively.

BNP Paribas Securities Services, Spanish branch acts as the account bank for the transaction. BNP Paribas Securities Services, Spanish branch's private rating is consistent with the Minimum Institution Rating, given 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 is consistent with the First Rating Threshold as defined in DBRS's "Derivative Criteria for European Structured Finance Transactions" methodology.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is: "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 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 monthly investor reports provided by VWFE.

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.

The last rating action on this transaction took place on 26 June 2017, when DBRS finalised its provisional ratings assigned to the Class A and Class B Notes at AAA (sf) and A (sf), respectively.

The lead analyst responsibilities for this transaction have been transferred to Joana Seara da Costa.

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

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

-- DBRS expected a base case probability of default (PD) and loss given default (LGD) for the portfolio 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 receivables are 2.2% and 60.1%, respectively.

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For example, if the LGD increases by 50%, the rating of the Class A Notes would be expected to decrease to AA (low) (sf), ceteris paribus. If the PD increases by 50%, the rating of the Class A Notes would be expected to decrease to AA (low) (sf), ceteris paribus. Furthermore, if both the PD and LGD increase by 50%, the rating of the Class A Notes would be expected to decrease to BBB (high) (sf), ceteris paribus.

Class A Notes risk sensitivity:

- 25% increase in LGD, expected rating of AA (sf)
- 50% increase in LGD, expected rating of AA (low) (sf)
- 25% increase in PD, expected rating of AA (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of AA (low) (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of A (sf)
- 50% increase in PD, expected rating of AA (low) (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of A (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BBB (high) (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 AA (low) (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 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 Limited are subject to EU and US regulations only.

Lead Analyst: Joana Seara da Costa, Assistant Vice President
Rating Committee Chair: Christian Aufsatz, Managing Director
Initial Rating Date: 17 May 2017

DBRS Ratings Limited



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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 Securitisations
- 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

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
Driver España four, Fondo de Titulización	Class A Notes	Confirmed	AAA (sf)	--	Jun 25, 2018
Driver España four, Fondo de Titulización	Class B Notes	Upgraded	AA (sf)	--	Jun 25, 2018

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