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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN 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 la siguiente Información Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por DBRS Ratings Limited con fecha 5 de julio de 2021, donde se llevan a cabo las siguientes actuaciones:

- Clase B, a **AAA (sf)** desde **AA (High) (sf)**

En Madrid a 7 de Julio de 2021

Ramón Pérez Hernández
Consejero Delegado

DBRS Morningstar Upgrades Rating on Auto ABS Spanish Loans 2016, Fondo de Titulización

AUTO

DBRS Ratings GmbH (DBRS Morningstar) upgraded its rating on the Class B Notes issued by Auto ABS Spanish Loans 2016, Fondo de Titulización (the Issuer) to AAA (sf) from AA (high) (sf).

The rating addresses the timely payment of interest and the ultimate payment of principal on or before the legal final maturity date in September 2032.

The upgrade 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 May 2021 payment date;
- Probability of default (PD), loss given default (LGD), and expected loss assumptions on the remaining receivables;
- Current available credit enhancement to the Class B Notes to cover the expected losses at the AAA (sf) rating level; and
- Current economic environment and an assessment of sustainable performance, as a result of the Coronavirus Disease (COVID-19) pandemic.

The Issuer is a Spanish securitisation of auto loan receivables granted 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 October 2016 and had an 18-month revolving period which ended in March 2018.

PORTFOLIO PERFORMANCE

As of the May 2021 payment date, loans that were one-to-two months and two-to-three months delinquent represented 0.9% and 0.5% of the principal outstanding balance of the portfolio, respectively, while loans that were more than three months delinquent represented 0.3%. Gross cumulative defaults amounted to 0.5% of the aggregate original portfolio balance, with cumulative recoveries of 45.8% to date.

PORTFOLIO ASSUMPTIONS AND KEY DRIVERS

DBRS Morningstar conducted a loan-by-loan analysis of the remaining pool of receivables and has maintained its base case PD at 2.6% and updated its base case LGD assumption to 54.8%.

CREDIT ENHANCEMENT

The subordination of the junior obligations and the cash reserve provides credit enhancement to the Class B Notes. As of the June 2021 payment date, credit enhancement to the Class B Notes was 42.3% up from 16.7% at the last annual review in June 2020.

The cash reserve is available to cover senior expenses and missed interest payments on the rated note. The cash reserve was funded at closing with EUR 6.2 million and its required balance is equal to 1.7% of the aggregate balance of the Class A, Class B, and Class C Notes balance, subject to a EUR 3.1 million floor. The cash reserve is currently at its floor of EUR 3.1 million.

The commingling reserve will be available to cover seniors fees, swap payments, interest to the Class B and Class C Notes, and payment due under the Principal Priority of Payments up to the Class C Notes, if a servicer replacement event occurs. This account was funded at closing with EUR 25.2 million and its required balance is equal to 3.5% of the nondefaulted portfolio balance. The commingling reserve account stood at EUR 3.1 million as of the May 2021 payment date.

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

DBRS Morningstar analysed the transaction structure in Intex DealMaker.

The Coronavirus Disease (COVID-19) and the resulting isolation measures have caused an economic contraction, leading in some cases to increases in unemployment rates and income reductions for borrowers. DBRS Morningstar anticipates that delinquencies may continue to increase in the coming months for many structured finance transactions, some meaningfully. The ratings are based on additional analysis and, where appropriate, adjustments to expected performance as a result of the global efforts to contain the spread of the coronavirus.

For this transaction, DBRS Morningstar conducted additional sensitivity analysis to determine that the transaction benefits from sufficient liquidity support to withstand high levels of payment holidays.

On 16 April 2020, the DBRS Morningstar Sovereign group released a set of macroeconomic scenarios for the 2020–22 period in select economies. These scenarios were last updated on 18 June 2021. For details, see the following commentaries: <https://www.dbrsmorningstar.com/research/380281/global-macroeconomic-scenarios-june-2021-update> and <https://www.dbrsmorningstar.com/research/359903/global-macroeconomic-scenarios-application-to-credit-ratings>. The DBRS Morningstar analysis considered impacts consistent with the moderate scenario in the referenced reports.

On 8 May 2020, DBRS Morningstar published a commentary outlining how the coronavirus crisis is likely to affect DBRS Morningstar-rated ABS transactions in Europe. For more details please see <https://www.dbrsmorningstar.com/research/360734/european-abs-transactions-risk-exposure-to-coronavirus-covid-19-effect> and <https://www.dbrsmorningstar.com/research/362712/european-structured-finance-covid-19-credit-risk-exposure-roadmap>.

For more information regarding rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/357883>.

For more information regarding the structured finance rating approach and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/359905>.

For more information regarding structured finance rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/358308>.

ESG CONSIDERATIONS

A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings at: <https://www.dbrsmorningstar.com/research/373262>.

Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the rating is the “Master European Structured Finance Surveillance Methodology” (8 February 2021).

DBRS Morningstar 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 at: <https://www.dbrsmorningstar.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 “Global Methodology for Rating Sovereign Governments” at: <https://www.dbrsmorningstar.com/research/350410/global-methodology-for-rating-sovereign-governments>.

The sources of data and information used for this rating include transaction 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 Morningstar does not rely upon third-party due diligence in order to conduct its analysis.

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

DBRS Morningstar considers the data and information available to it for the purposes of providing this rating to be of satisfactory quality.

DBRS Morningstar 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 7 July 2020, when DBRS Morningstar confirmed its ratings on the Class A Notes and Class B Notes at AAA (sf) and AA (high) (sf), respectively. Effective on 28 June 2021, the rating on the Class A Notes was discontinued following its full repayment.

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

To assess the impact of changing the transaction parameters on the ratings, DBRS Morningstar considered the following stress scenarios as compared with the parameters used to determine the ratings (the base case):

- DBRS Morningstar 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 2.6% and 54.8%, 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 on the Class B Notes would be expected to remain at AAA (sf), assuming no change in the PD. If the PD increases by 50%, the rating on the Class B Notes would be expected to remain

at AAA (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating on the Class B Notes would also be expected to remain at AAA (sf).

Class B Notes Risk Sensitivity:

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

For further information on DBRS Morningstar 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>. DBRS Morningstar understands further information on DBRS Morningstar historical default rates may be published by the Financial Conduct Authority (FCA) on its webpage: <https://www.fca.org.uk/firms/credit-rating-agencies>.

This rating is endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Initial Rating Date: 14 September 2016

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

-- Legal Criteria for European Structured Finance Transactions (6 April 2021), <https://www.dbrsmorningstar.com/research/376314/legal-criteria-for-european-structured-finance-transactions>.

-- Master European Structured Finance Surveillance Methodology (8 February 2021), <https://www.dbrsmorningstar.com/research/373435/master-european-structured-finance-surveillance-methodology>.

-- Operational Risk Assessment for European Structured Finance Servicers (19 November 2020), <https://www.dbrsmorningstar.com/research/370270/operational-risk-assessment-for-european-structured-finance-servicers>.

-- Rating European Consumer and Commercial Asset-Backed Securitizations (3 September 2020), <https://www.dbrsmorningstar.com/research/366294/rating-european-consumer-and-commercial-asset-backed-securitizations>.

-- Rating European Structured Finance Transactions Methodology (21 July 2020), <https://www.dbrsmorningstar.com/research/364305/rating-european-structured-finance-transactions-methodology>.

-- DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (3 February 2021), <https://www.dbrsmorningstar.com/research/373262/dbrs-morningstar-criteria-approach-to-environmental-social-and>

[governance-risk-factors-in-credit-ratings](#).

-- Interest Rate Stresses for European Structured Finance Transactions (28 September 2020), <https://www.dbrsmorningstar.com/research/367292/interest-rate-stresses-for-european-structured-finance-transactions>.

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

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

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