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Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

DRIVER ESPAÑA FIVE, FONDO DE TITULIZACIÓN Actuaciones sobre las calificaciones de los bonos por parte de Standard & Poor's.

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 Standard & Poor's, con fecha 27 de febrero de 2020, donde se lleva a cabo la siguiente actuación:

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

En Madrid a 10 de marzo de 2020.

Ramón Pérez Hernández
Consejero Delegado

Rating Raised On Spanish Auto ABS Transaction DRIVER ESPANA FIVE's Class B Notes; Class A Rating Affirmed

February 27, 2020

Overview

- Following our review of DRIVER ESPAÑA FIVE's performance, we have raised to 'AA+ (sf)' from 'AA- (sf)' our rating on the class B notes.
- At the same time, we have affirmed our 'AAA (sf)' rating on the class A notes.
- The transaction's collateral comprises auto loans that Volkswagen Finance granted to borrowers who reside in Spain.

MADRID (S&P Global Ratings) Feb. 27, 2020--S&P Global Ratings today raised to 'AA+ (sf)' from 'AA- (sf)' its credit rating on DRIVER ESPANA FIVE, FONDO DE TITULIZACION's class B notes. At the same time, we have affirmed our 'AAA (sf)' rating on the class A notes.

Today's rating actions follow our review of the transaction's performance since closing in February 2018 and the application of our criteria (see "Related Criteria").

DRIVER ESPAÑA FIVE securitizes a portfolio of Spanish auto loan receivables, which Volkswagen Finance S.A. originated and granted to its private and small-commercial customer base in the ordinary course of its business.

We have analyzed credit risk under our European auto asset-backed securities (ABS) criteria, using the transaction's historical gross loss data (see "Methodology And Assumptions For European Auto ABS," published on Oct. 15, 2015). The data show that the default level is lower than our expectations at closing (see "New Issue: DRIVER ESPANA FIVE, FONDO DE TITULIZACION," published on Feb. 28, 2018). With a current seasoning of approximately 31 months, we consider the portfolio to be well seasoned since 100% of the loans are past the peak loss period. Additionally, despite the current macroeconomic slowdown, we forecast that Spain will record GDP growth of 1.8% in 2020, above the expected 1.0% GDP increase in the Eurozone. Additionally, we expect unemployment rates to continue to decrease to 13.3% in 2020 from 15.3% in 2018. Finally, we have also considered the additional information reviewed for Volkswagen Finance's latest issuance, which shows strong performance of its Spanish book. We have therefore lowered our gross loss base-case assumptions to 1.8% from 2.02% at closing.

We considered a stressed recovery rate of 30% across all products at all rating levels. This is partially supported by a strong used car market in Spain and the Spanish macroeconomic

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environment.

The available credit enhancement for the class A and B notes has increased to 22.9% and 17.2%, respectively, from 12.5% and 9.9% at closing. Although the notes have reached their overcollateralization targets (21.0% for the class A notes and 14.5% for the class B notes), they are amortizing sequentially because the class B notes' target amortization amount is higher than its current balance, which is preventing the transaction from amortizing pro-rata.

Under our European auto ABS criteria, the class A notes have sufficient available credit enhancement to withstand our stresses at the 'AAA' rating. We have therefore affirmed our 'AAA (sf)' rating on the class A notes.

The class B notes have sufficient available credit enhancement to withstand our stresses at the 'AAA' rating level under our criteria. However, the class B notes does not pass our 'AAA' stress under our pro-rata tests. Given that we expect the transaction to change to pro-rata shortly, that the current pool factor exceeds 40%, and the difference in credit enhancement level compared to the class A notes, we have raised to 'AA+ (sf)' from 'AA- (sf)' our rating on the class B notes.

Our counterparty, operational, and legal risk analysis remains unchanged since closing.

The transaction's collateral comprises auto loans that Volkswagen Finance granted to borrowers who are resident in Spain.

Related Criteria

- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | ABS: Methodology And Assumptions For European Auto ABS, Oct. 15, 2015
- Criteria | Structured Finance | General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria | Structured Finance | ABS: Global Methodology And Assumptions For Assessing The Credit Quality Of Securitized Consumer Receivables, Oct. 9, 2014
- Criteria - Structured Finance - General: Global Framework For Cash Flow Analysis Of Structured Finance Securities, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Methodology And Assumptions For Market Value Securities, Sept. 17, 2013
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013

- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- European Auto ABS Index Report Q3 2019, Nov. 28, 2019
- Spain Ratings Raised To 'A/A-1' From 'A-/A-2' On Economic Resilience; Outlook Stable, Sept. 20, 2019
- New Issue: DRIVER ESPANA FIVE, FONDO DE TITULIZACION, Feb. 28, 2018
- 2017 EMEA ABS Scenario And Sensitivity Analysis, July 6, 2017
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- How We Rate And Monitor EMEA Structured Finance Transactions, March 24, 2016
- Scenario Analysis: Gross Default Rates And Excess Spread Hold The Answer To Future European Auto ABS Performance, May 12, 2009

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