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Dirección General de Mercados e Inversores
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Madrid

COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE

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

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 Fitch Ratings con fecha 3 de Julio de 2020, donde se lleva a cabo la siguiente actuación:

- Clase A, confirmado en **AA+ (sf) perspectiva estable.**

En Madrid a 6 de Julio de 2020

Ramón Pérez Hernández
Consejero Delegado

RATING ACTION COMMENTARY

Fitch Affirms Auto ABS Spanish Loans 2016 and 2018 at 'AA+sf'/Stable

Fri 03 Jul, 2020 - 8:58 ET

Fitch Ratings - Madrid - 03 Jul 2020: Fitch Ratings has affirmed Auto ABS Spanish Loans 2016 and 2018 notes at 'AA+sf'. The Outlook on all classes is Stable.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Auto ABS Spanish Loans 2018-1, FT		
● Class A ES0305370001	LT AA+sf Rating Outlook Stable	Affirmed AA+sf Ratin Outlook Stable
Auto ABS Spanish Loans 2016, FT		
● Class A ES0305194005	LT AA+sf Rating Outlook Stable	Affirmed AA+sf Ratin Outlook Stable
● Class B ES0305194013	LT AA+sf Rating Outlook Stable	Affirmed AA+sf Ratin Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)

TRANSACTION SUMMARY

The notes are collateralised by auto loans originated by PSA Financial Services in Spain, the Spanish financial captive of the French car manufacturer Peugeot S.A. (BBB-/Stable).

KEY RATING DRIVERS

Coronavirus-Related Revision to Assumptions

Fitch expects defaults and delinquencies to increase beyond recent levels due to the coronavirus crisis. The severity of the shock is likely to be unprecedented, but the duration should be shorter than the 2008 crisis. The scale of the impact may also be offset by measures taken by the servicer and the Spanish government, which are in stark contrast to the austerity measures of 2010.

Nevertheless, we foresee a material deterioration in performance and accordingly we revised the weighted-average remaining default base cases for both transactions to 3.2%, from 1.7% for Auto ABS 2016 and 2.4% for Auto ABS 2018. The 'AA+' default multiple has been reduced to 3.7x from 5.0x for Auto ABS 2016 and 5.3x for Auto ABS 2018, to reflect that the base case incorporates a significant stress.

Fitch has reduced the weighted average recovery base case to 47.0% from 55.7% for Auto ABS 2016 and 54.7% for Auto ABS 2018 to account for the expected deterioration in recoveries due to the macroeconomic environment foreseen for the coming years. At the same time, we reduced the 'AA+' blended recovery haircut to 42.7% from 45.5% for Auto ABS 2016 and 45.2% for Auto ABS 2018 to accommodate the stress incorporated in the recovery base cases.

Revolving Period Termination and Structural Protection

The 18-month revolving period for Auto ABS 2018 terminated as expected in March 2020. The portfolio composition has remained fairly stable with respect to portfolio covenants, new cars represent 79% (covenant 77%), used cars remain at 16% and commercial new cars 5% (covenant 7%). In addition, due to the termination of the revolving period the credit enhancement of the notes has already started to increase as the transaction deleverages. The transaction benefits from significant excess spread of around 7.2%.

Auto ABS 2016's class A and B notes are protected by significant credit enhancement of around 43% and 17%, respectively, as of May 2020, which we expect to continue increasing as the transaction amortises on a fully sequential basis. The transaction benefits from significant excess spread of around 7.0%.

Servicer and Liquidity Risk Mitigated

Emergency support measures introduced in Spain to mitigate the effects of the coronavirus crisis include payment moratoriums for consumer credit to vulnerable borrowers. We view payment interruption risk on the securitisation notes mitigated by the structural liquidity protection.

Account Bank Eligibility Limits Ratings

Ratings for the classes of notes are capped at 'AA+sf' due to the special-purpose account bank eligibility triggers contractually defined at 'A-' or 'F1'. These triggers support structured finance transactions up to a 'AA+sf' rating, according to Fitch's "Structured Finance and Covered Bonds Counterparty Rating Criteria".

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Modified account bank minimum eligibility rating thresholds compatible with 'AAAsf' ratings in line with the agency's "Structured Finance and Covered Bonds Counterparty Rating Criteria". The notes' ratings are capped at 'AA+sf' due to the contractually defined eligibility thresholds of 'A-' or 'F1', which are insufficient to support 'AAAsf' ratings.

Developments that may, individually or collectively, lead to negative rating action include:

- A longer-than-expected coronavirus crisis that erodes macroeconomic fundamentals and the credit markets in Spain beyond Fitch's current base case;
- A multi-notch downgrade of Spain's Long-Term Issuer Default Rating that could reduce the maximum achievable rating for Spanish structured finance transactions below 'AA+sf'.

Fitch also tested the rating sensitivity of the notes to various scenarios, including an increase in the default base case assumption and/or decrease in the recovery rate assumption for the portfolio. The model-implied sensitivities indicate that an increase in the default assumption by 25% and a decrease in recovery rate assumption by 25% will have no impact on the ratings of the notes, remaining at AA+.

ESG Relevance Score

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' - ESG issues are credit neutral or have only a minimal credit impact on Auto ABS 2016 and 2018 either due to their nature or the way in which they are being managed.

For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

SUMMARY OF FINANCIAL ADJUSTMENTS

We have not used financial statement data.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Prior to the transaction closing, Fitch reviewed the results of a third-party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis. Fitch conducted a review of a small targeted sample of PSA Financial Services' origination files and found the information contained in the reviewed files to be adequately consistent with the originator's policies and practices and the other information provided to the agency about the asset portfolio.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

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Additional information is available on www.fitchratings.com

APPLICABLE CRITERIA

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Consumer ABS Rating Criteria \(pub. 09 Jun 2020\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub. 17 Jun 2020\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.7.0 (1)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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ENDORSEMENT STATUS

Auto ABS Spanish Loans 2016, FT EU Issued

Auto ABS Spanish Loans 2018-1, FT EU Issued

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