SCOPE | Ratings

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Scope rates AAA(SF) Spanish auto loan notes issued by Private Driver España 2026-1 FT

The EUR 1,540.5m underlying portfolio of auto loan receivables was primarily originated to individual borrowers by Volkswagen Bank GmbH, Sucursal En España.

Rating action

Scope Ratings GmbH (Scope) has assigned the following rating on the issued instrument:

Notes (ISIN: ES0306044001), floating-rate notes, EUR 1,475.00m: **new rating of AAA$_{SF}$**

Subordinated loan, floating-rate loan, EUR 11.55m: **not rated**

Transaction overview

The transaction is a granular, three-year revolving securitisation of auto loan receivables originated by Volkswagen Bank GmbH, Sucursal En España (‘VW Bank Spanish Branch’) to Spanish private individuals, small business and individual enterprise borrowers. As of the cut-off date of 30 April 2026, the underlying portfolio consists of 173,897 monthly-paying, auto loan receivables which finance the purchase of new vehicles (76.6%) and used vehicles (23.4%), related to balloon loans (54.0%) and amortising loans (46.0%). The portfolio’s weighted average original term, remaining term and seasoning are 5.1y, 3.5y and 1.6y, respectively. Private Driver España 2026-1 Fondo de Titulización (the ‘fund’, or ‘issuer’) is not exposed to residual value risk, nor to payment shock risk, as the balloon payments from the ballon loans were not sold to the issuer.

The main structural features are: i) an initial level of credit enhancement from subordination and overcollateralisation of 4.25% for the rated notes; ii) a portfolio cumulative gross loss ratio trigger, which upon breach will end the revolving period; iii) once the revolving period ends, available excess spread will be used to build up rated notes’ additional credit enhancement in order to meet the related 100% target overcollateralisation; iv) a combined waterfall during the pre-enforcement period throughout which principal funds can be used to cover senior costs and rated notes’ interest shortfalls; v) an amortising cash reserve fully funded at closing date, mainly for liquidity purpose, but also to cover losses at the notes’ legal final maturity date, covering 1% of the discounted portfolio balance and floored at EUR 6m, as long as the rated notes are still outstanding; and vi) a seller cash collection advance mechanism from the servicer account to the fund account which mitigates cash commingling risk.

The noteholders are exposed to the following key counterparties: i) Volkswagen Bank GmbH, Sucursal En España as originator, seller, and servicer; ii) Deutsche Bank Sociedad Anónima Española

Unipersonal as fund account bank and local paying agent; iii) Royal Bank of Canada as interest rate swap provider; iv) Deutsche Bank AG, London Branch as principal paying agent; v) Volkswagen Bank GmbH as subordinated lender; and vi) Titulización de Activos, S.G.F.T., S.A. as management company of the fund.

Rating rationale

The rating assigned to the notes reflects Scope's base case quantitative results. Counterparty risk is immaterial, relative to the rating level assigned to the notes. One or more key drivers of the credit rating action are considered an ESG factor.

Key rating drivers

Experienced originator with long track record[2] (positive). VW Bank Spanish Branch is a well-established experienced originator of auto loans in the Spanish market, with more than 25 years of presence (ESG factor).

Granular portfolio[1] (positive). The rated notes are secured by a granular portfolio of auto loan receivables provided mostly to private individuals domiciled in Spain. There are no material concentrations in terms of loans, borrowers or borrower regions.

Liquidity protection[2] (positive). A cash reserve fully funded at closing date adequately mitigates liquidity risk for the rated notes in the event of servicer disruption and cover losses at the notes' legal final maturity date. Additionally, the transaction benefits from a combined principal and interest waterfall during the pre-enforcement phase, which allows the use of portfolio principal collections to cover any shortfalls related to senior costs and rated notes' interest.

Revolving period[1,2,3] (negative). The transaction features an initial three-year revolving period, during which the portfolio's credit quality could deteriorate. However, such potential adverse portfolio composition change is limited thanks to the asset eligibility criteria, the portfolio concentration limits and the revolving termination events.

Potential loss upon prepayment[2] (negative). Upon loan prepayment, the issuer may be exposed to loss as the prepayment proceeds may be lower than the corresponding outstanding discounted balance. This risk is mitigated by the seller's obligation to compensate the issuer for any missed interest funds.

Unrated servicer[2] (negative). VW Bank Spanish Branch is not rated. However, servicer risk is mitigated by: i) the servicer termination events, ii) the fund cash reserve which covers 3.6 monthly payment periods of assumed senior costs and notes' interest, and iii) the availability of other reputable auto loan servicers in the Spanish market, which could replace the initial servicer.

Key analytical assumptions

- The portfolio's lifetime default rate follows an inverse Gaussian distribution

- Rating-level conditional recovery rates

The key analytical assumptions factor in the historical performance of assets similar to those in the securitised portfolio, considering the originator's performance data or peer transaction benchmarks.

The assumptions may also reflect qualitative judgments based on various factors, including i) the originator's credit policies; ii) Scope's macroeconomic expectations; and iii) Scope's asset class outlook over the transaction's lifetime.

Details on these assumptions and other parameters are provided in the 'Quantitative analysis' section below.

Key data sources

The main data sources used to derive the key analytical assumptions were: i) originator's static gross loss and net loss vintage data from January 2005 to November 2025; ii) originator's dynamic delinquent data from January 2008 to November 2025; iii) originator's dynamic prepayment data from August 2006 to November 2025; iv) pool stratification tables; and v) collateral performance data for peer Spanish auto loan transactions.

Rating-change drivers

The rating may change in the event of i) changes to the levels or parameters of the transaction's key analytical assumptions based on observed performance or new data sources; ii) significant changes to the transaction's collateral and structural features; and/or iii) a change in Scope's view regarding the transaction's key rating drivers.

The sensitivity analysis below provides an indication of the resilience of the credit rating to deviations in key analytical assumptions.

Sensitivity analysis

This analysis is solely intended to illustrate the sensitivity of the credit rating to the assumed parameters and, all else being equal, does not reflect expected or likely scenarios.

Notes

- 50% increase of mean lifetime default rate: three notches
- 50% decrease of base case recovery rate: one notch

Quantitative analysis

The relevant parameters of the quantitative analysis include but are not limited to:

- Default rate distribution parameters: cumulative mean default rate of 1.9% with a default coefficient of variation of 45.0%, implying annualised mean and distressed marginal default rates of 1.0% and 3.0%, respectively
- Base case recovery rate and distressed recovery rate: 48.0% and 36.0%, respectively
- Base case constant prepayment rate: 7%
- Senior fees and expenses: 1.03% of the non-defaulted pool balance, floored at EUR 200,000 p.a.
- Portfolio discount rate assumed as portfolio yield per annum of 6.54%

Rating driver references

1. Loan-by-loan data tape of the securitised pool and originator's historical data (Confidential)
2. Transaction documentation (Confidential)
3. Scope has completed a monitoring review for the Kingdom of Spain

Stress testing

Stress testing formed part of the quantitative analysis. Scope Ratings evaluated scenarios that stress key factors, such as defaults and credit-rating-adjusted recoveries. These scenarios help assess the sensitivity of the credit rating and the likelihood of severe collateral losses or impaired cash flows. The impact on the rated instrument is weighted by the assumptions of the likelihood of the events in such scenarios occurring.

Cash flow analysis

Scope Ratings performed a cash flow analysis of the transaction with the use of Scope Ratings' Cash Flow Model Master Waterfall Version 1.5, incorporating relevant asset assumptions and taking into account the transaction's main structural features, such as the instruments' priority of payments, the instruments' size and coupons. The outcome of the analysis is an expected loss rate and an expected weighted average life for the instruments based on the generated cash flows.

Methodology

The methodologies used for this Credit Rating (Consumer and Auto ABS Rating Methodology, 8 May 2026; General Structured Finance Rating Methodology, 8 May 2026; Counterparty Risk Methodology, 30 June 2025), are available on scoperatings.com/governance-and-policies/rating-governance/methodologies.

The model used for this Credit Rating is (Cash Flow Model Master Waterfall Version 1.5), available in Scope Ratings' list of models, published under scoperatings.com/governance-and-policies/rating-governance/methodologies.

Information on the meaning of each Credit Rating category, including definitions of default, recoveries, Outlooks and Under Review, can be viewed in 'Rating Definitions – Credit Ratings, Ancillary and Other Services', published on scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales.

Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at scoperatings.com/governance-and-policies/regulatory/eu-regulation. Also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA):

registers.esma.europa.eu/cerep-publication. A comprehensive clarification of Scope Ratings' definitions of default and Credit Rating notations can be found at scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Guidance and information on how environmental, social or governance factors (ESG factors) are incorporated into the Credit Rating can be found in the respective sections of the methodologies or guidance documents provided on scoperatings.com/governance-and-policies/rating-governance/methodologies.

Solicitation, key sources and quality of information

The Rated Entity and/or its Related Third Parties participated in the Credit Rating process.

The following substantially material sources of information were used to prepare the Credit Rating: public domain, the Rated Entity, the Rated Entities' Related Third Parties, third parties and Scope Ratings' internal sources.

Scope Ratings considers the quality of information available to Scope Ratings on the Rated Entity or instrument to be satisfactory. The information and data supporting this Credit Rating originates from sources Scope Ratings considers to be reliable and accurate. Scope Ratings does not, however, independently verify the reliability and accuracy of the information and data.

Scope Ratings has received a third-party asset due diligence assessment/asset audit. The external due diligence assessment/asset audit was considered when preparing the Credit Rating and it has no impact on the Credit Rating.

Prior to the issuance of the Credit Rating action, the Rated Entity was given the opportunity to review the Credit Rating and the principal grounds on which the Credit Rating is based. Following that review, the Credit Rating was not amended before being issued.

Regulatory disclosures

This Credit Rating is issued by Scope Ratings GmbH, Lennéstraße 5, D-10785 Berlin, Tel +49 30 27891-0. The Credit Rating is UK-endorsed.

Lead analyst: Miguel Barata, Director

Person responsible for approval of the Credit Rating: Benoit Vasseur, Managing Director

The Credit Rating was first released by Scope Ratings on 26 May 2026.

Potential conflicts

See scoperatings.com under Governance & Policies/Regulatory for a list of potential conflicts of interest disclosures related to the issuance of Credit Ratings, as well as a list of Ancillary Services and certain non-Credit Rating Agency services provided to Rated Entities and/or Related Third Parties.

Conditions of use / exclusion of liability

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INSTRUMENTS 1