

Driver UK Master S.A., Compartment 2 Series 2021-B Auto Loan Notes Assigned Rating; All Outstanding Series Affirmed

November 25, 2021

Ratings List

Ratings assigned

Class	Rating	Amount (mil. £)
B 2021-1	A+ (sf)	24.9
B 2021-2	NR	71.0

Ratings affirmed

Class	Rating	Amount (mil. £)
A 2013-2	AAA (sf)	419.5
A 2013-4	AAA (sf)	200.0
A 2013-5	NR	425.0
A 2013-8	AAA (sf)	225.0
A 2014-1	AAA (sf)	100.0
A 2014-2	AAA (sf)	200.0
A 2014-3	AAA (sf)	394.5
A 2015-1	AAA (sf)	444.5
A 2016-2	AAA (sf)	484.5
A 2018-1	AAA (sf)	222.3
A 2018-2	AAA (sf)	237.2
A 2018-3	AAA (sf)	71.2
A 2019-1	AAA (sf)	337.5
A 2019-2	AAA (sf)	246.8
A 2020-1	AAA (sf)	182.8
A 2020-2	NR	350.0
A 2020-3	AAA (sf)	84.1
B 2013-3	A+ (sf)	140.6
B 2018-1	A+ (sf)	27.7

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Ratings List (cont.)

B 2018-2	A+ (sf)	88.4
B 2018-3	A+ (sf)	0.1
B 2019-1	NR	64.1
B 2020-1	A+ (sf)	68.7
B 2020-2	NR	146.8
Notes redeemed		
B 2016-2	NR	48.5
B 2015-1	NR	180.5
NR--Not rated.		

Overview

- We have assigned our 'A+ (sf)' rating to Driver UK Master Compartment 2's series 2021-1 class B notes.
- At the same time, we have affirmed our ratings on all of the outstanding classes of notes.
- The collateral comprises auto loans that Volkswagen Financial Services (UK) originated for its customers in England, Scotland, and Wales.

LONDON (S&P Global Ratings) Nov. 25, 2021--S&P Global Ratings today assigned its 'A+ (sf)' credit rating to Driver UK Master S.A., Compartment 2's (DUKM C2) series 2021-1 class B notes. At closing, the issuer also issued unrated series 2021-2 class B notes. At the same time, we have affirmed our ratings on all of the outstanding classes of notes.

This is a revolving transaction and, as permitted under the transaction documentation, in November 2020 the issuer extended the 12-month revolving period to November 2021. The revolving period will now be extended for another 12 months to November 2022.

A combination of subordination, overcollateralization, and a cash reserve provides credit enhancement.

Our analysis indicates all class A notes in the transaction have available credit enhancement sufficient to withstand losses that are commensurate with a 'AAA' rating. Our cash flow analysis indicates that the available credit enhancement for the series 2021-1 class B notes (as well as all other class B notes in the transaction) is commensurate with higher ratings than those currently assigned. However, we have affirmed our 'A+ (sf)' ratings on the class B notes on account of the transaction's revolving nature and the ongoing frequent issuance of new series.

Our ratings in this transaction are not constrained by the application of structured finance sovereign risk, counterparty, or operational risk criteria (see "Related Criteria").

Following closing of the 2021 series, the total outstanding issuance for the class A notes is £4,624.9 million, £632.3 million for the class B notes, and £811.2 million for the subordinated loan. The series 2021-1 and 2021-2 class B notes rank pro rata with the previously issued class B notes and have the same levels of target credit enhancement and liquidity support.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- 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: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- 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 Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009
- Criteria | Structured Finance | ABS: European Consumer Finance Criteria, March 10, 2000

Related Research

- Driver UK Master S.A., Compartment 2 (Series 2020-1), Nov. 25, 2020
- 2017 EMEA ABS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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