Otra Información Relevante de **BBVA CONSUMO 10 FONDO DE TITULIZACIÓN**

En virtud de lo establecido en el Folleto Informativo de **BBVA CONSUMO 10 FONDO DE TITULIZACIÓN** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **Standard & Poor's Global Ratings** ("**S&P**") con fecha 29 de julio de 2020, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

  - **Serie A**: **AA (sf)**
  - **Serie B:** **A- (sf)**
  - **Serie C:** **B (sf)**

Se adjunta la comunicación emitida por S&P.

Madrid, 20 de agosto de 2020.

S&P Global
Ratings

RatingsDirect®

BBVA Consumo 10 Fondo De Titulizacion Spanish Consumer ABS Ratings Affirmed

July 29, 2020

PRIMARY CREDIT ANALYST

Rocio Romero
Madrid
(34) 91-389-6968
rocio.romero
@spglobal.com

SECONDARY CONTACT

Isabel Plaza
Madrid
(34) 91-788-7203
isabel.plaza
@spglobal.com

Overview

- On May 11, 2020, we placed on CreditWatch negative our rating on BBVA Consumo 10's class C notes.
- Following our review of this transaction under our relevant criteria, we have affirmed our ratings on all classes of notes and resolved our CreditWatch placement.
- BBVA Consumo 10 is a Spanish ABS transaction that securitizes a portfolio of consumer loans originated by BBVA.

MADRID (S&P Global Ratings) July 29, 2020--S&P Global Ratings today affirmed its 'AA (sf)', 'A- (sf)', and 'B (sf)' credit ratings on BBVA Consumo 10's class A, B, and C notes, respectively. At the same time, we removed from CreditWatch negative our credit rating on the class C notes.

Today's rating actions follow our review of the transaction's performance and the application of our relevant criteria, and considers the transaction's current structural features (see "Related Criteria").

We placed the rating on the class C notes on CreditWatch negative following our update on the credit and cash flow assumptions that we apply in our European auto and consumer ABS analysis (see "European Auto And Consumer ABS: Analysis Adjusted To Reflect COVID-19 Effects," published May 11, 2020, and "Seven Ratings From Four German, French, And Spanish ABS Transactions Placed On Watch Negative," published May 11, 2020). The adjustments reflect the effects of COVID-19 and the associated lockdown and social distancing measures introduced across Europe by the respective governments since early March.

In our analysis, we have increased our base-case default rate assumption to 3.75% from 3.50% at closing driven by our macroeconomic projections stemming from the spread of COVID-19. As we do not currently believe that the expected level of macroeconomic stress warrants an overarching revision to the stressed default assumptions at the 'BBB' rating level or higher, we left these assumptions unchanged. We have maintained the same recovery assumptions as those at closing. We have also tested the impact of forbearance measures, like the impact of the different moratorium schemes (payment holidays), and disruptions in recovery processes in this transaction.

The transaction has now seasoned for one year since closing. The arrears levels, although low, have shown an increasing trend since the initial months following COVID-19. In the investor report as of June 2020, the level of 90+ day arrears was 1.05%, increasing from 0.68% in February. At the same time, the level of early delinquencies stood at 0.44% and 0.18% for the 30-60 and 60-90 buckets, respectively, which compares with 0.37% and 0.16%, respectively, in February. We assume in our analysis that, in addition to our default base case, a portion of loans will be in default when the transaction starts amortizing. Given the current level of 90+ day arrears and its recent evolution, we have assumed in our analysis that when the transaction starts amortizing, 2% of the collateral will be in default, and we have given credit to recoveries to such amounts.

We have performed our cash flow analysis to test the effect of the amended credit assumptions. We have applied certain liquidity stresses, such as a delay in cash receipts due to payment holidays and extended recovery timing. For this transaction, loans in legal (i.e. up to three months of interest and principal payment holiday) and sector moratoria (i.e. up to six months of principal payment holiday) due to the COVID-19 credit impact are within the limits observed in the Spanish market.

BBVA Consumo 10 is still in its revolving phase (until December 2020), and consequently none of the rated notes benefit from an increase in credit enhancement since closing.

However, our cash flow analysis indicates that the available credit enhancement for the class A, B, and C notes is still sufficient to withstand the credit and cash flow stresses that we apply at the 'AA', 'A-', and 'B' rating levels, respectively. Therefore, we have affirmed our ratings on the class A, B, and C notes and removed the rating on class C from CreditWatch negative.

No changes in the documentation have been reported; therefore we still consider that the transaction's documented replacement mechanisms adequately mitigate its counterparty risk exposure to BBVA up to a 'AA' rating level under our current counterparty criteria (see "Counterparty Risk Framework: Methodology And Assumptions," published on March 8, 2019).

Our structured finance sovereign risk criteria do not constrain our rating on the class A notes (see "Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions," published on Jan. 30, 2019). However, given the unsolicited long-term sovereign rating on Spain (A/Stable/A-1), our sovereign risk criteria cap at 'A' our ratings on the class B and C notes.

S&P Global Ratings acknowledges a high degree of uncertainty about the evolution of the coronavirus pandemic. The consensus among health experts is that the pandemic may now be at, or near, its peak in some regions, but will remain a threat until a vaccine or effective treatment is widely available, which may not occur until the second half of 2021. We are using this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

BBVA Consumo 10 securitizes a portfolio of consumer loan receivables, which BBVA granted to its Spanish clients.

Related Criteria

- 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 | 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: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- 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

- European Economic Snapshots: The Eurozone Will Recover Only Gradually, July 24, 2020
- Economic Research: Nowcasting In Times Of Crisis: How We Are Tracking The COVID-19 Recovery, July 23, 2020
- Banking Industry Country Risk Assessment Update: June 2020, June 26, 2020
- Economic Research: Eurozone Economy: The Balancing Act To Recovery, June 25, 2020
- Economic Research: European Short-Time Work Schemes Pave The Way For A Smoother Recovery, May 20, 2020
- European Auto And Consumer ABS: Analysis Adjusted To Reflect COVID-19 Effects, May 11, 2020
- Economic Research: EU Response To COVID-19 Can Chart A Path To Sustainable Growth, April 22, 2020
- Economic Research: Europe Braces For A Deeper Recession In 2020, April 20, 2020
- Economic Research: COVID-19 Deals A Larger, Longer Hit To Global GDP, April 16, 2020
- European ABS And RMBS: Assessing The Credit Effects Of COVID-19, March 30, 2020
- New Issue: BBVA Consumo 10 Fondo de Titulizacion, July 9, 2019
- 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