

Otra Información Relevante de

BBVA CONSUMO 11 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA CONSUMO 11 FONDO DE TITULIZACIÓN** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **Scope Ratings GmbH (“Scope”)** con fecha 10 de febrero de 2022, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A:** AA-SF
 - **Serie B:** BBB-SF

Se adjunta la comunicación emitida por Scope.

Madrid, 1 de marzo de 2022.

10 Feb 2022 - Scope Ratings GmbH

Scope upgrades class B notes of BBVA Consumo 9 FT to BB+(SF) – Spanish Consumer ABS

The rating action follows Scope's performance review of Consumo funds 9, 10 and 11, the cash securitisations of consumer loans extended to borrowers in Spain and originated by Banco Bilbao Vizcaya Argentaria SA.

Rating action

The rating actions are as follows:

BBVA Consumo 9 FT:

Class A (ISIN ES0305426001): EUR 219.2m outstanding: affirmed at AAA_{SF}

Class B (ISIN ES0305252019): EUR 123.8m outstanding: upgraded to BB_{SF}⁺ from BB_{SF}⁻

BBVA Consumo 10 FT:

Class A (ISIN ES0305426001): EUR 1,167.3m outstanding: affirmed at AA_{SF}

Class B (ISIN ES0305426019): EUR 58.0m outstanding: affirmed at BBB_{SF}⁺

Class C (ISIN ES0305426027): EUR 82.0m outstanding: affirmed at BB_{SF}⁺

BBVA Consumo 11 FT:

Class A (ISIN ES0305541007): EUR 1,778.2m outstanding: affirmed at AA_{SF}⁻

Class B (ISIN ES0305541015): EUR 150.0m outstanding: affirmed at BBB_{SF}⁻

Scope Ratings GmbH (Scope) considered transaction performance data up to and including December 2021.

Transaction overview

BBVA Consumo 9, 10 and 11 are post-replenishment securitisations of fully amortising unsecured consumer loans. The loans were originated and granted by Banco Bilbao Vizcaya Argentaria SA (BBVA) to individual residents in Spain to finance consumer activities. The priority of payments is sequential. The notes' amortisation

references the non-defaulted portfolio balance and any accelerated amortisation from default provisioning using excess spread.

Rating rationale

The rating actions are supported by i) structural deleveraging and the build-up of credit enhancement; ii) a high excess spread; iii) liquidity and credit protection via a liquidity reserve currently at target levels; and iv) robust structural protection provided by sequential principal amortisation. However, weak observed recoveries relative to the historical evidence limits potential upside for the rated notes under the Consumo 10 and 11 funds in the near term.

Credit enhancement from subordination has increased since closing as follows:

BBVA Consumo 9 FT class A: 54.1% from 13.5%

BBVA Consumo 9 FT class B: 18.0% from 4.5%

BBVA Consumo 10 FT class A: 14.5% from 10.0%

BBVA Consumo 10 FT class B: 10.2% from 7.1%

BBVA Consumo 10 FT class C: 4.2% from 3.0%

BBVA Consumo 11 FT class A: 14.3% from 11.0%

BBVA Consumo 11 FT class B: 6.5% from 5.0%

Current portfolio yields are higher than Scope's expectations at closing, providing more excess spread to provision for defaults and helping to offset non-cash-flowing loans. The current weighted average portfolio yields are as follows:

BBVA Consumo 9 FT: 7.3%

BBVA Consumo 10 FT: 6.9%

BBVA Consumo 11 FT: 6.8%

The observed cumulative gross default ratios are as follows:

BBVA Consumo 9 FT: 3.3%

BBVA Consumo 10 FT: 2.3%

BBVA Consumo 11 FT: 0.5%

The above transactions have an 18-month, 12-month and six-month default definition, respectively.

BBVA performs all counterparty roles. Credit risk arising from the exposure to BBVA as the account bank and paying agent is mitigated by structural risk-substitution covenants. BBVA will be replaced in the role of account bank and paying agent upon the loss of a BBB rating, in line with Scope's counterparty criteria.

Key rating drivers

Increased credit enhancement (positive). Credit enhancement levels have increased since closing for all the three transactions. ^{1,2,3,4}

Excess spread (positive). The current portfolio yield is much higher than the rate payable in the rated notes across all three transactions. Scope expects that net excess spread will remain high, even after accounting for potential yield compression and stressed servicing fees.^{1,2,3}

Strong liquidity (positive). The reserve fund currently sits at its target level for all the three transactions.^{1,2,3}

Weak recoveries (negative). Observed recoveries are below Scope's expectations at closing.^{1,2,3}

Counterparty concentration (negative). BBVA performs all counterparty roles in the transaction. Counterparty risk from the financial exposure to BBVA as account bank and paying agent is mitigated by both the bank's high credit quality and a replacement mechanism should its issuer rating fall below BBB.^{1,2,3,4}

Market risk from clean-up call (negative). For BBVA Consumo 9 FT, the clean-up call option results in market value risk for the class B notes. However, Scope expects this event to be unlikely as BBVA would face reputational risk if it decided to benefit from adverse market conditions to the detriment of investors.⁴

Rating-change drivers

Positive. Higher-than-expected recoveries on defaults may drive stronger performance and could positively impact the ratings.

Negative. A spike in delinquent and defaulted loans in combination with low recoveries could negatively impact the ratings.

Quantitative analysis and assumptions

Scope performed a cash flow analysis, considering the portfolios' characteristics and the main structural features. Scope applied its large homogenous portfolio approximation approach when analysing collateral pools and projecting cash flows over their amortisation period. The cash flow analysis considered the probability distribution of each portfolio's default rate, following an inverse Gaussian distribution, to calculate the expected loss of each rated tranche. The analysis also provided the expected weighted average life of each tranche. Scope considered the assets' and liabilities' amortisation and the evolution of the pool's composition.

Scope considered the assets' amortisation schedule and assumed a default timing reflecting a constant default intensity. This accounts for observed default behaviour and reduced duration risk as a result of portfolio deleveraging, resulting in an updated remaining lifetime mean default rate and coefficient of variation.

Scope assumed the following remaining lifetime mean default rates, coefficients of variation, and base case rating-conditional recovery rates, respectively:

BBVA Consumo 9 FT: 6.0%, 50.0% and 5.0%,

BBVA Consumo 10 FT: 5.0%, 60.0% and 5.0%,

BBVA Consumo 11 FT: 5.5%, 55.0% and 5.0%,

Scope decreased its rating-conditional recovery rate assumptions due to the low observed recovery rates.

Scope increased its weighted average yield assumptions for the three transactions to align them more closely with the reported portfolio weighted average coupon.

Sensitivity analysis

Scope tested the resilience of the ratings against deviations of the main input parameters: the portfolio mean-default rate and the portfolio recovery rate. This analysis has the sole purpose of illustrating the sensitivity of the ratings to input assumptions and is not indicative of expected or likely scenarios.

The following shows how the results for each rated tranche would change compared to the assigned ratings when the assumed mean default rate increases by 50%, or the portfolio's expected recovery rate decreases by 50%, respectively:

- BBVA Consumo 9 FT class A: sensitivity to probability of default, zero notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 9 FT class B: sensitivity to probability of default, zero notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 10 FT class A: sensitivity to probability of default, five notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 10 FT class B: sensitivity to probability of default, four notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 10 FT class C: sensitivity to probability of default, four notches; sensitivity to recovery rate, one notch
- BBVA Consumo 11 FT class A: sensitivity to probability of default, four notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 11 FT class B: sensitivity to probability of default, three notches; sensitivity to recovery rate, zero notches

Rating driver references

1. [Transaction Reporting \(BBVA Consumo 9 FT\)](#)
2. [Transaction Reporting \(BBVA Consumo 10 FT\)](#)
3. [Transaction Reporting \(BBVA Consumo 11 FT\)](#)
4. Transaction documents (confidential)

Stress testing

Stress testing was performed by applying Credit-Rating-adjusted recovery rate assumptions.

Cash flow analysis

Scope Ratings performed a cash flow analysis of the transaction with the use of Scope Ratings' Cash Flow SF EL Model Version 1.1 incorporating default and recovery rate assumptions over the portfolio's amortisation period, taking into account the transaction's main structural features, such as the notes' priorities of payment, the notes' size and coupons. The outcome of the analysis is an expected loss and an expected weighted average life for the notes.

Methodology

The methodologies used for these Credit Ratings (General Structured Finance Rating Methodology, 17 December 2021; Consumer and Auto ABS Rating Methodology, 3 March 2021; Methodology for Counterparty Risk in Structured Finance, 13 July 2021) are available on <https://www.scooperatings.com/#!/methodology/list>.

The model used for these Credit Ratings is (Cash Flow SF EL Model Version 1.1), available in Scope Ratings' list of models, published under <https://www.scooperatings.com/#!/methodology/list>.

Scope Ratings GmbH and Scope Ratings UK Limited apply the same methodologies/models and key rating assumptions for their credit rating services, while Scope Hamburg GmbH's methodologies/models and key rating assumptions are different from those of Scope Ratings GmbH and Scope Ratings UK Limited.

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 <https://www.scooperatings.com/#!/governance-and-policies/rating-scale>. Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at <https://www.scooperatings.com/#!/governance-and-policies/regulatory-EU>. Also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>. A comprehensive clarification of Scope Ratings' definitions of default and Credit Rating notations can be found at <https://www.scooperatings.com/#!/governance-and-policies/rating-scale>. 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 <https://www.scooperatings.com/#!/methodology/list>.

Solicitation, key sources and quality of information

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

The following substantially material sources of information were used to prepare the Credit Ratings: public domain, 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 these Credit Ratings originate 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 audit at closing. The external asset audit was considered when preparing the Credit Ratings and it has no impact on the Credit Ratings.

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

Regulatory disclosures

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

Lead analyst: Shashank Thakur, Analyst

Person responsible for approval of the Credit Ratings: David Bergman, Managing Director

The final Credit Ratings for BBVA Consumo 9 FT were first released by Scope Ratings on 28 March 2017. The Credit Ratings were last updated on 26 March 2021.

The final Credit Ratings for BBVA Consumo 10 FT were first released by Scope Ratings on 9 July 2019.

The final Credit Ratings for BBVA Consumo 11 FT were first released by Scope Ratings on 15 March 2021.

Potential conflicts

See www.scooperatings.com under Governance & Policies/EU Regulation/Disclosures for a list of potential conflicts of interest related to the issuance of Credit Ratings.

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