Otra Información Relevante de **BBVA CONSUMO 8 FONDO DE TITULIZACIÓN**

En virtud de lo establecido en el Folleto Informativo de **BBVA CONSUMO 8 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 3 de abril de 2020, comunica que ha confirmado la calificación asignada a las siguientes Series de Bonos emitidos por el Fondo:
    - **Serie A**: **AAA_{sf}**
    - **Serie B**: **BB_{sf}**

Se adjunta la comunicación emitida por Scope.

Madrid, 6 de abril de 2020.

03 Apr 2020 - Scope Ratings GmbH

Scope affirms the notes issued by BBVA CONSUMO 8 FT – Spanish auto ABS

Scope Ratings has taken the following rating actions on the notes issued by BBVA CONSUMO 8 FT

Rating action

Class A (ES0305155006), EUR 278.6m: affirmed at AAA$_{SF}$

Class B (ES0305155014), EUR 87.5m: affirmed at BB$_{SF}$

The rating actions incorporate information available from transaction reports[1] through December 2019.

Transaction overview

BBVA CONSUMO 8 FT is a true-sale securitisation of unsecured auto loans with no residual value risk, granted to private individuals in Spain by Banco Bilbao Vizcaya Argentaria SA (BBVA) and originated by the vehicle-finance business unit of the bank. The portfolio has amortised 52.2% since closing.

The notes amortise sequentially and pay fixed-rate coupons, with a combined priority of payments. Class B interest ranks senior to class A principal unless a 5.0% 90+ days-past-due (dpd) delinquency trigger is breached. A reserve fund provides liquidity and credit enhancement for the class A and class B notes. The EUR 31.5m reserve fund will only amortise if 90+ dpd delinquencies are less than 1.0% of the outstanding non-default balance or the reserve is not funded at its target level. It can amortise to a EUR 15.75m floor. The transaction closed on 22 July 2016.

Rating rationale

The rating actions are supported by solid asset performance since closing and increased credit enhancement. 90+ dpd delinquencies account for 3.7% of the outstanding portfolio balance and cumulative defaults amount to 1.6% of the portfolio balance at closing. Class A credit enhancement has increased to 32.5% from 17.0% at closing. Class B credit enhancement has increased to 8.6% from 4.5% at closing. The increase has been driven by portfolio amortisation (8.5% lifetime prepayment rate) and a reserve fund that has not amortised since closing. The rated notes also benefit from 5.4% excess spread (assuming 1.0% senior fees). Excess spread can be used to replenish the reserve fund and accelerate amortisation of the notes in the event defaults are realised.

Class B credit enhancement is mainly provided by the reserve fund. Class B noteholders are exposed to interest subordination risk in the event 90+ dpd delinquencies exceed 5.0% of the outstanding non-defaulted balance. Additionally, Class B notes do not have to be fully redeemed at par in the event a 10.0% clean-up call is exercised. The possibility of BBVA exercising this feature is remote, but is an element that was considered in the rating action taken on class B notes.

The rating actions are also supported by the notes' expected resilience to macro-economic uncertainties in Spain, including potential impacts from COVID-19.

BBVA, which performs all major counterparty roles in the transaction, continues to support the ratings. We assessed the credit quality of BBVA using Scope's ratings.

Key rating drivers

Increased credit enhancement (positive). Class A credit enhancement has increased to 32.5% from 17.0% at closing. Class B credit enhancement has increased to 8.6% from 4.5% at closing.

Asset performance (positive). 90+ dpd delinquencies account for 3.7% of the outstanding portfolio balance and cumulative defaults amount to 1.6% of the portfolio balance at closing. An 8.5% lifetime prepayment rate has also benefitted the rated notes.

Excess spread (positive). The transaction benefits from significant excess spread – 5.4% (assuming 1.0% senior fees). Excess spread can be used to replenish the reserve fund and accelerate amortisation of the notes in the event defaults are realised.

Macroeconomic uncertainties (negative). The transaction is exposed to macroeconomic uncertainties in Spain, especially when considering impacts from COVID-19. Negative growth is now expected for Spain this year, which may adversely impact certain obligors in the portfolio.

Market risk from clean-up call (negative). The terms of the class B clean-up call option result in market value risk for the series B notes. This risk is mitigated by BBVA’s incentives in this transaction.

Class B interest subordination (negative). Class B interest is subordinated if 90+ delinquencies reach 5.0% of the outstanding non-defaulted balance. This feature leaves note holders more vulnerable to potential losses in a stressed economic environment.

Rating-change drivers

Positive: Further transaction deleveraging and the reduction of the transaction’s remaining life will gradually reduce the lifetime exposure to uncertainties in Spain and could lead to rating upgrades.

Negative: A severe deterioration of the Spanish macroeconomic environment, beyond what Scope has considered, could lead to very high default rates and thereby negatively impact the ratings.

Quantitative analysis and assumptions

Scope Ratings has performed a cash flow analysis, considering the portfolio's characteristics and the transaction's main structural features, such as the notes’ priorities of payments, note size, the coupon on the notes, senior costs, as well as servicing fees. This analysis produces an expected loss and expected weighted average life for the notes.

Scope applied its large homogenous portfolio approximation approach when analysing the collateral pool and projecting cash flows over the expected amortisation period. The cash flow analysis considers the probability distribution of the portfolio’s default rate using an inverse Gaussian distribution.

Scope assumed a point-in-time portfolio mean default rate of 8.5% and coefficient of variation of 39.2%. Scope also considered a long-term economic cycle adjustment with a default distribution reflecting a long-term portfolio mean default rate of 5.8% and a coefficient of variation of 47.8%. A base case recovery rate of 46.0% along with a AAA rating-conditional recovery rate of 27.6%.

Scope analysed the transaction under high (12%) and low (0%) prepayment scenarios.

Sensitivity analysis

Scope tested the resilience of the rating against deviations in 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 rating to input assumptions and is not indicative of expected or likely scenarios.

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

- Class A: sensitivity to default rate assumptions, 0 notches; sensitivity to recovery rates, 0 notches;
- Class B: sensitivity to default rate assumption, 0 notches; sensitivity to recovery rates, 0 notches.

Rating driver references

1 Transaction reports

Stress testing

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

Cash flow analysis

Scope performed a cash flow analysis of the transaction with the use of Scope 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 ratings are the 'SME ABS Rating Methodology' published on 9 April 2019 and the 'Methodology for Counterparty Risk in Structured Finance' published on 24 July 2019. All documents are available on https://www.scoperatings.com/#!methodology/list. The models used for this rating(s) and/or rating outlook(s) are available in Scope's list of models, published under: https://www.scoperatings.com/#!methodology/list. Information on the meaning of each rating category, including definitions of default and recoveries can be viewed in the "Rating Definitions - Credit Ratings and Ancillary Services" published on https://www.scoperatings.com/#!governance-and-policies/rating-scale. Historical default rates of the entities rated by Scope Ratings can be viewed in the rating performance report on https://www.scoperatings.com/#governance-and-policies/regulatory-ESMA. Please 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's definitions of default and rating notations can be found at https://www.scoperatings.com/#governance-and-policies/rating-scale. Guidance and information on how Environmental, Social or Governance factors (ESG factor) are incorporated into the rating can be found in the respective sections of the methodologies or guidance documents provided on https://www.scoperatings.com/#!methodology/list.

Solicitation, key sources and quality of information

The rated instruments' issuer and/or its agents participated in the rating process.

The following substantially material sources of information were used to prepare the credit rating: public domain, the rated entities' agents, the issuer, third parties and Scope internal sources.

Scope considers the quality of information available to Scope on the rated entity or instrument to be satisfactory. The information and data supporting Scope's ratings originate from sources Scope considers to be reliable and accurate. Scope does not, however, independently verify the reliability and accuracy of the information and data. Scope Ratings GmbH received a third-party asset due diligence assessment/asset audit at closing. The external due diligence assessment/asset audit was considered when preparing the ratings and it had no impact on the credit ratings. Prior to the issuance of the rating actions, the rated entity was given the opportunity to review the ratings and the principal grounds on which the credit ratings are based. Following that review, the ratings were not amended before being issued.

Regulatory disclosures

These credit ratings are issued by Scope Ratings GmbH, Lenéestraße 5, D-10785 Berlin, Tel +49 30 27891-0.

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The final ratings were first released by Scope on 22 July 2016.

Potential conflicts

Please see www.scoperatings.com for a list of potential conflicts of interest related to the issuance of credit ratings.

Conditions of use / exclusion of liability

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