Otra Información Relevante de BBVA CONSUMER AUTO 2020-1 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA CONSUMER AUTO 2020-1 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 31 de mayo de 2022, comunica que ha elevado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

    - **Serie B**: **AA- (sf)** (anterior **A+ (sf)**)
    - **Serie D**: **BBB+ (sf)** (anterior **BB+ (sf)**)
    - **Serie E:** **BB+ (low) (sf)** (anterior **B+ (sf)**)

Asimismo, S&P ha afirmado las calificaciones asignadas a las restantes Series de Bonos

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

Se adjunta la comunicación emitida por S&P.

Madrid, 2 de junio de 2022.

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S&P Global
Ratings

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BBVA Consumer Auto 2020-1 Spanish ABS Auto Loans Ratings Raised On Three Classes; Two Classes Affirmed

May 31, 2022

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Overview

- We have reviewed BBVA Consumer Auto 2020-1's performance by analyzing the transaction's underlying assets and structural features following the publication of the revised criteria for rating global auto ABS transactions.
- Following our review, we raised our ratings on the class B-Dfrd, D-Dfrd, and E-Dfrd notes.
- At the same time, we affirmed our ratings on the class A and C-Dfrd notes.
- We also removed the under criteria observation (UCO) identifier from the ratings on the class D-Dfrd and E-Dfrd notes.

MADRID (S&P Global Ratings) May 31, 2022--S&P Global Ratings today raised to 'AA- (sf)' from 'A+ (sf)', to 'BBB+ (sf)' from 'BB+ (sf)', and to 'BB+ (sf)' from 'B+ (sf)' our credit ratings on BBVA Consumer Auto 2020-1 Fondo de Titulizacion's class B-Dfrd, D-Dfrd, and E-Dfrd notes, respectively. We also affirmed our 'AA (sf)' and 'A- (sf)' ratings on the class A and C-Dfrd notes, respectively

We removed the under criteria observation (UCO) identifier from the ratings on the class D-Dfrd and E-Dfrd notes, where we placed them following the publication of our revised criteria for rating global ABS (see "Global Auto ABS Methodology And Assumptions," published on March 31, 2022).

While our ratings on the class A notes address the timely payment of interest and the ultimate payment of principal, our ratings on the class B-Dfrd to E-Dfrd notes address the ultimate payment of principal and the ultimate payment of interest. In this transaction there is no compensation mechanism that would accrue interest on deferred interest, although we consider this feature common in the Spanish market. As soon as any mezzanine note becomes the most senior, interest payments will be timely and any accrued interest will be fully paid on the first payment date. Under these circumstances, when the class B-Dfrd, C-Dfrd, D-Dfrd, and E-Dfrd notes are the most senior notes outstanding, our rating will address timely payment of interest and ultimate payment of principal.

Today's rating actions follow our review of the transaction's performance and the application of our current criteria, and reflect our assessment of the payment structure according to the transaction documents (see "Related Criteria").

The transaction closed in June 2020 and revolved until January 2022, 18 months after closing (see "New Issue: BBVA Consumer Auto 2020-1 Fondo de Titulizacion," published on June 18, 2020).

Given that only one interest payment date has occurred since the end of the revolving period, and taking into account updated performance information received from the originator, Banco Bilbao Vizcaya Argentaria S.A. (BBVA), and the seasoning of the pool of assets, we kept our gross loss base case assumptions unchanged at 5.00%. However, we decreased our gross loss multiple to 4.6x from 4.8x, at 'AAA'.

With the introduction of our revised criteria for rating global ABS, we apply a different approach in terms of recoveries. We now first size a recovery base case, which we then haircut to achieve the stress recovery rates for the different rating categories. Therefore, we now size a recovery base case at 40%. We haircut the above base case with the set of haircuts listed below. Overall, our revised approach in estimating recoveries results in a slightly more stressful scenario for higher-rated classes and is slightly more beneficial for lower-rated classes. At the same time, given the performance data received, we have lowered our high prepayment rate assumption to 20% from 24% for our cash flow analysis.

Table 1

Haircuts Above The Base Case

Rating	Haircut (%)
AAA	45.00
AA	35.00
A	26.25
BBB	21.25
BB	16.25
B	11.25

Table 2

Credit Assumptions

Parameter	Current
Gross loss base case (%)	5.00
Recovery base case (%)	40.00
Gross loss multiple ('AA')	3.60
Gross loss multiple ('AA-')	3.27
Gross loss multiple ('A-')	2.33
Gross loss multiple ('BBB+')	2.20
Gross loss multiple ('BB+')	1.68
Stressed recovery rate ('AA') (%)	18.00
Stressed recovery rate ('AA-') (%)	16.35
Stressed recovery rate ('A-') (%)	11.65
Stressed recovery rate ('BBB+') (%)	11.00
Stressed recovery rate ('BB+') (%)	8.40

N/A--Not available.

Our operational and legal analysis is unchanged since closing. We consider that the transaction documents adequately mitigate the transaction's exposure to counterparty risk from BBVA--as account bank provider and swap counterparty--up to an 'AA' rating.

Our cash flow analysis indicates that the available credit enhancement for the class A, B-Dfrd, and C-Dfrd notes is sufficient to withstand the credit and cash flow stresses that we apply at the 'AA', 'AA-', and 'A-' rating levels, respectively. Therefore, we have raised to 'AA- (sf)' from 'A+ (sf)' our rating on the class B-Dfrd notes and affirmed our class A and C-Dfrd notes at 'AA (sf)' and 'A- (sf)', respectively.

Our analysis indicates that the available credit enhancement for the class D-Dfrd and E-Dfrd notes is commensurate with ratings higher than currently assigned. However, we have limited our upgrade based on their overall credit enhancement and their position in the waterfall. In addition, the most junior tranches are expected to have a longer duration than the senior tranches, meaning they are more vulnerable to tail-end risk. Therefore, we have raised to 'BBB+ (sf)' from 'BB+ (sf)' and to 'BB+ (sf)' from 'B+ (sf)' and removed the UCO identifier from our ratings on the class D-Dfrd and E-Dfrd notes, respectively.

Although the structure pays pro rata from the start of amortization, it incorporates a sequential redemption event which, once breached, is irreversible. We have considered additional tests under cash flow analysis, simulating back-loaded defaults to assess the impact of concentrated defaults later in the life of the transaction and using late recession to simulate the effect of pro rata amortization under the notes.

Related Criteria

- Criteria | Structured Finance | ABS: Global Auto ABS Methodology And Assumptions, March 31, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- 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: Global Framework For Assessing Operational Risk In Structured Finance Transactions, 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

Related Research

- Ratings On Certain European Auto ABS Transactions Under Criteria Observation Following Criteria Update, March 31, 2022
- S&P Global Ratings Definitions, Nov. 10, 2021
- ESG Industry Report Card: Auto Asset-Backed Securities, March 31, 2021
- New Issue: BBVA Consumer Auto 2020-1 Fondo de Titulizacion, June 18, 2020
- Credit FAQ: Questions Over Electric Vehicle Residual Values In European Auto ABS, May 31, 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
- Scenario Analysis: Gross Default Rates And Excess Spread Hold The Answer To Future European Auto ABS Performance, May 12, 2009