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 noviembre de 2023, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A: $\textbf{AAA}_{\textbf{SF}}$** (anterior **$\textbf{AA+}_{\textbf{SF}}$**)

Asimismo, Scope afirma la calificación de la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie B: $\textbf{BBB-}_{\textbf{SF}}$**

Se adjunta la comunicación emitida por Scope.

Madrid, 13 de noviembre de 2023

Credit Rating Announcement

10 November 2023

Scope upgrades ratings on BBVA Consumo 10 and 11 FT - Spanish Consumer ABS

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

Rating action

Scope Ratings GmbH (Scope) has taken the following rating actions:

BBVA Consumo 10 FT:

Class A (ISIN ES0305426001): EUR 441.7m outstanding: upgraded to AAA$_{SF}$ from AA+$_{SF}$

Class B (ISIN ES0305426019): EUR 58.0m outstanding: upgraded to AA-$_{SF}$ from A$_{SF}$

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

BBVA Consumo 11 FT:

Class A (ISIN ES0305541007): EUR 784.9m outstanding: upgraded to AAA$_{SF}$ from AA+$_{SF}$

Class B (ISIN ES0305541015): EUR 150.0m outstanding: affirmed at BBB-$_{SF}$

The review incorporates information provided in the transaction reports up to 30 September 2023.

Transaction overview

BBVA Consumo 10 and 11 FT 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) robust structural protection due to sequential principal payments and deleveraging that leads to credit enhancement build-ups; ii) high excess spread; and iii) liquidity and credit protection via a liquidity reserve currently at target levels. The rating actions are constrained by: i) weak observed recoveries relative to historical evidence; and ii) the unavailability of liquidity coverage from cash reserve for class B notes in BBVA Consumo 11 while class A is outstanding.

Credit enhancement from subordination has increased since closing as follows:

BBVA Consumo 10 FT class A: 30.5% from 10.0%

BBVA Consumo 10 FT class B: 21.3% from 7.1%

BBVA Consumo 10 FT class C: 8.4% from 3.0%

BBVA Consumo 11 FT class A: 26.0% from 11.0%

BBVA Consumo 11 FT class B: 10.0% from 5.0%

Current portfolio yields are higher than Scope's expectations at closing, providing more excess spread to provision for defaults and to offset loans that have no cash flows. Current weighted average portfolio yields are as follows:

BBVA Consumo 10 FT: 7.0%

BBVA Consumo 11 FT: 6.9%

The reported cumulative delinquencies with respect to the default definition are as follows:

BBVA Consumo 10 FT: 3.1%

BBVA Consumo 11 FT: 2.4%

The above transactions have a 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 both the transactions.[1,2]

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

Strong liquidity (positive). The reserve fund currently sits at its target level for both the transactions.[1,2]

Weak recoveries (negative). Observed recoveries are below Scope's expectations at closing.[1,2]

Unavailability of cash reserve to class B (negative). For BBVA Consumo 11 FT, the reserve fund is accessible to class B only after full repayment of class A. This may create interest shortfalls in case of a portfolio yield compression. [3]

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 determined the expected loss and weighted average life of the rated notes based on the portfolio's characteristics and the transaction's main structural features, such as the notes' priorities of payments, note size, the notes' respective coupon, senior costs and servicing fees.

Scope applied its large homogenous portfolio approximation approach when analysing the collateral pool and projecting cash flow 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 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 following 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:

BBVA Consumo 10 FT: 6.3%, 50.6% and 5.0%

BBVA Consumo 11 FT: 4.0%, 69.4% and 5.0%

The transactions were analysed under high (15%) and low (0%) prepayment scenarios.

Sensitivity analysis

Scope tested the resilience of the assigned ratings 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 assigned ratings 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 default rate increases by 50%, or the portfolio's expected recovery rate decreases by 50%, respectively:

- BBVA Consumo 10 FT class A: sensitivity to mean default rate, zero notches; sensitivity to recovery rate, zero notches

- BBVA Consumo 10 FT class B: sensitivity to mean default rate, five notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 10 FT class C: sensitivity to mean default rate, two notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 11 FT class A: sensitivity to mean default rate, two notches; sensitivity to recovery rate, zero notches
- BBVA Consumo 11 FT class B: sensitivity to mean default rate, two notches; sensitivity to recovery rate, zero notches

Rating driver references

1. Transaction Reporting (BBVA Consumo 10 FT)
2. Transaction Reporting (BBVA Consumo 11 FT)
3. Transaction documents (Confidential)

Stress testing

Stress testing was considered in the quantitative analysis by considering scenarios that stress factors, like defaults and Credit-Rating-adjusted recoveries, contributing to sensitivity of Credit Ratings and consider the likelihood of severe collateral losses or impaired cash flows. The impact on the rated instruments is weighted by the assumptions of the likelihood of the events in such scenarios occurring.

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 1.2 incorporating relevant asset assumptions and taking into account the transaction's main structural features, such as the instruments' priority of payments, the instruments' size and coupons. The outcome of the analysis is an expected loss rate and an expected weighted average life for the instruments based on the generated cash flows.

Methodology

The methodologies used for these Credit Ratings, (Consumer and Auto ABS Rating Methodology, 3 March 2023; Counterparty Risk Methodology, 13 July 2023 and General Structured Finance Rating Methodology, 25 January 2023), https://scoperatings.com/governance-and-policies/rating-governance/methodologies.
The model used for these Credit Ratings is (Cash Flow Structured Finance Expected Loss Model Version 1.2), available in Scope Ratings' list of models, published under https://scoperatings.com/governance-and-policies/rating-governance/methodologies
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.scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at https://scoperatings.com/governance-and-policies/regulatory/eu-regulation. 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.scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. 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://scoperatings.com/governance-and-policies/rating-governance/methodologies.

Solicitation, key sources and quality of information

The Rated Entity and/or 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 Entity, 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 due diligence assessment/asset audit at closing. The external due diligence assessment/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, Senior Analyst

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

The final Credit Ratings for BBVA Consumo 10 FT were first released by Scope Ratings on 9 July 2019. The Credit Ratings were last updated on 22 December 2022.

The final Credit Ratings for BBVA Consumo 11 FT were first released by Scope Ratings on 15 March 2021. The Credit Ratings were last updated on 22 December 2022.

Potential conflicts

See www.scoperatings.com under Governance & Policies/Regulatory for a list of potential conflicts of interest disclosures related to the issuance of Credit Ratings.

Conditions of use / exclusion of liability

About Scope Group

With more than 250 employees operating from offices in Berlin, Frankfurt, Hamburg, London, Madrid, Milan, Oslo and Paris, Scope Group is the leading European provider of independent credit ratings, ESG and fund analysis. Based on forward-looking and innovative methodologies, Scope offers a European perspective that contributes to greater diversity of opinion for institutional investors worldwide. **Scope Ratings** is the largest European credit rating agency, registered in accordance with EU and UK rating agency regulation, offering opinion-driven and non-mechanistic credit risk analysis. **Scope ESG Analysis** provides tools for analysing and reporting on ESG impact and risk, as well as second-party opinions on green, social and sustainable bonds. **Scope Fund Analysis** rates more than 10,000 funds and asset managers across all major asset classes. The shareholders of Scope Group include CEO and founder Florian Schoeller and anchor shareholder Stefan Quandt, numerous senior personalities in European finance and industry as well as institutional investors from several European countries. More on www.scopegroup.com

Contact

Analyst	Shashank Thakur	s.thakur@scoperatings.com
Team leader	David Bergman	d.bergman@scoperatings.com

Scope Ratings GmbH • Lennéstraße 5 • D-10785 Berlin • Phone: +49 30 27891-0 • Fax: +49 30 27891-0
www.scoperatings.com