

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 **Scope Ratings GmbH (“Scope”)** con fecha 23 de octubre de 2024, comunica que ha elevado la calificación asignada a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie B:** **AA_{SF}** (anterior **AA_{SF}**)
- **Serie C:** **BBB_{SF}** (anterior **BB_{SF}**)

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

- **Serie A:** **AAA_{SF}**

Se adjunta la comunicación emitida por Scope.

Madrid, 24 de octubre 2024.

📅 WEDNESDAY, 23/10/2024 - Scope Ratings GmbH

Scope upgrades class B and class C notes issued by BBVA Consumo 10, FT - Spanish Consumer ABS

Scope affirms the class A notes and upgrades class B and C notes issued by BBVA Consumo 10 FT, following the review of the transaction.

Rating action

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

Class A (ISIN ES0305426001): EUR 238.4m outstanding: affirmed at AAA_{SF}

Class B (ISIN ES0305426019): EUR 58.0m outstanding: upgraded to AA_{SF} from AA_{SF}

Class C (ISIN ES0305426027): EUR 82.0m outstanding: upgraded to BBB_{SF} from BB_{SF}

Transaction overview

BBVA Consumo 10, FT is a securitisation 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.

As of the reporting cut-off date, 30 June 2024, the underlying portfolio had an expected remaining weighted average life of 33 months and a weighted average coupon of 7.02%. Credit enhancement on the class A, B and C notes stands at 44.93%, 31.40% and 12.25%, respectively.

Rating rationale

The review addressed i) the observed performance of the collateral as of the review cut-off date; ii) Scope's forward-looking performance assumptions, in the context of the expected macroeconomic environment over the remaining life of the transaction; iii) the transaction's updated asset and liability structure; iv) the issuer's exposure to key transaction parties.

Beyond the key rating drivers addressed further below, the main analytical considerations addressed during this review are:

Good collateral performance¹: The portfolio is performing well with current portfolio yield at 7.0%, higher than Scope expectations at closing, providing excess spread to provision for defaults. Defaults are below Scope's initial expectations and recoveries have improved with total recovery rate currently at 19.2%.

Increased credit enhancement¹: Class A, B and C notes' credit enhancement has increased to 44.9%, 31.4% and 12.3% from closing values of 10.0%, 7.1% and 3.0%, respectively.

Key rating drivers

The key rating drivers continue to be aligned with those disclosed in the [rating action release](#) dated 10 November 2023, with the exception of recoveries, which have significantly improved.

Rating-change drivers

All else equal, the following factor may constitute an upside rating driver:

- Continuous faster than expected deleveraging of the capital structure and persistent better than expected asset performance.

All else equal, the following factors may constitute downside rating drivers:

- A significant deterioration in BBVA's credit profile.
- A material deterioration of the transaction performance.

Quantitative analysis and assumptions

Scope used a proprietary cash flow model to calculate the expected loss and expected weighted average life of each rated tranche, considering the transaction's assets and liability structure. Asset cash flows are projected based on the securitised portfolio amortisation schedule and on committee-determined performance assumptions, which reflect the characteristics and quality of the portfolio. The model replicates the transaction's key structural features, including the capital structure, the order of priority of the issuer's liabilities, and enhancement features such as excess spread and cash reserves.

The key analytical assumptions include the following: an inverse-Gaussian distribution of portfolio remaining lifetime defaults, with a mean of 5.7% and coefficient of variation of 54.7%; a base case rating-conditional recovery of 10.0%; high (15%) and low (0%) constant prepayment rate scenarios; and stressed senior fees of 1.0%.

Sensitivity analysis

Scope tested the resilience of the credit 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 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:

- Class A: sensitivity to mean default rate, zero notches; sensitivity to recovery rate, zero notches
- Class B: sensitivity to mean default rate, one notch; sensitivity to recovery rate, zero notches
- Class C: sensitivity to mean default rate, two notches; sensitivity to recovery rate, zero notches

Rating driver references

1. [Investor reports](#)

Stress testing

Stress testing was considered in the quantitative analysis by considering scenarios that stress factors, like defaults and 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 Model Version 2.0, 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, (General Structured Finance Rating Methodology, 6 March 2024; Counterparty Risk Methodology, 10 July 2024; Consumer and Auto ABS Rating Methodology, 4 March 2024), are available on <https://scoperatings.com/governance-and-policies/rating-governance/methodologies>.

The model used for these Credit Ratings is (Cash Flow Model Version 2.0), 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://cerp.esma.europa.eu/cerp-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 initial Credit Ratings and it had 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: Elom Kwamin, Analyst

Person responsible for approval of the Credit Ratings: Paula Lichtensztein, Senior Representative

The final Credit Ratings were first released by Scope Ratings on 9 July 2019. The Credit Ratings were last updated on 10 November 2023.

Potential conflicts

See www.scooperatings.com under Governance & Policies/Regulatory for a list of potential conflicts of interest disclosures related to the issuance of Credit Ratings, as well as a list of Ancillary Services and certain non-Credit Rating Agency services provided to Rated Entities and/or Related Third Parties.

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