

**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 **Fitch Ratings (“Fitch”)**, con fecha 29 de julio de 2020, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A:** **A+sf**, perspectiva estable

- **Serie B:** **CCCsf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 20 de agosto de 2020.



## RATING ACTION COMMENTARY

# Fitch Affirms BBVA Consumo 8, FT; Outlook Stable

Wed 29 Jul, 2020 - 7:58 ET

Fitch Ratings - Madrid - 29 Jul 2020: Fitch Ratings has affirmed BBVA Consumo 8, FT's notes, as follows:

## RATING ACTIONS

ENTITY/DEBT	RATING		
BBVA Consumo 8, FT			
● Class A ES0305155006	LT	A+sf Rating Outlook Stable	Affirmed
● Class B ES0305155014	LT	CCCsf	Affirmed

[VIEW ADDITIONAL RATING DETAILS](#)

## TRANSACTION SUMMARY

The transaction is a EUR700 million securitisation of unsecured consumer loans in Spain for car acquisition purposes. All the loans are originated and serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA; BBB+/Stable/F2), which is also the SPV account bank provider.

## KEY RATING DRIVERS

### Coronavirus-related Revision to Assumptions

Fitch expects defaults and delinquencies to increase beyond recently observed levels as a result of the coronavirus crisis. The severity of the shock is likely to be unprecedented, but the duration should be shorter than the 2008 crisis. The scale of the impact may also be offset by measures taken by the servicer and the Spanish government, which are in stark contrast to the austerity measures of 2010.

Nevertheless, we expect a material deterioration in performance and accordingly we have recalibrated our assumptions, defining the base case for new cars at 6.0% from 5.5% and to 7.0% from 6.0% for used cars from previous review, which result in a weighted-average remaining default base case of 6.4%.

The revised base cases incorporate a significant stress compared with the performance of the more recent vintages. The weighted-average 'A+sf' default multiple has been reduced to 3.2x from 3.5x, to reflect that the base case incorporates a significant stress. The base case recovery rate and 'A+sf' recovery haircut have been maintained at 25% and 37%, respectively. This is because of the already low base case due to the unsecured nature of the assets.

### Adequate Protection Against Credit Losses

Credit enhancement (CE) has continued to increase since the last review as the transaction deleverages. CE stands at around 46.0% (from 33.5%) for the class A notes and 14.0% (from 10.0%) for the class B notes. CE for the class A notes is provided by structural subordination and the reserve fund (RF), while for the class B notes CE is entirely provided by the RF. The transaction benefits from significant excess spread, as the assets will pay a weighted average fixed rate of around 7.5% per year, while the class A and B notes receive a coupon of 1.0% and 1.5%, respectively.

### Payment Interruption Risk Mitigated up to 'A+sf'

Payment interruption risk is mitigated up to 'A+sf' given that collections are transferred every two business days and BBVA as servicer and collection account bank is a regulated bank in a developed market. In addition, the highest rated note is rated less than five notches above BBVA's rating.

### Account Bank Triggers Cap Ratings

The class A notes' rating is capped at 'A+sf' under Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria, due to the account bank replacement trigger being set at 'BBB', which is insufficient to support 'AAsf' or 'AAAsf' ratings.

### Class B Market Value Risk

Fitch continues to cap the class B notes' rating at 'CCCs' with no Recovery Estimate assigned, because of the seller's ability to exercise a clean-up call when the portfolio balance is less than 10% of its initial amount, even if available funds were insufficient to fully amortise the class B notes. In this scenario, the repayment of the class B notes would be exposed to the price at which the SPV would sell the assets to the seller, among other factors.

## **RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to positive rating action/upgrade: For the class A notes, modified account bank minimum eligibility rating thresholds compatible with higher rating categories 'AA+sf' or 'AAAsf' as per Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

Factors that could, individually or collectively, lead to negative rating action/downgrade: - A longer-than-expected coronavirus crisis that deteriorates macroeconomic fundamentals and the credit markets in Spain beyond Fitch's current base case. - A downgrade of BBVA below the account bank minimum eligibility rating thresholds and not remedied as per Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

## **BEST/WORST CASE RATING SCENARIO**

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven

notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit

<https://www.fitchratings.com/site/re/10111579>.

## **USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10**

Form ABS Due Dilligence-15E was not provided to or reviewed by, Fitch in relation to this rating action.

## **DATA ADEQUACY**

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Prior to the transaction closing, Fitch reviewed the results of a third party assessment conducted on the asset portfolio information and concluded that there were no findings that affected the rating analysis. Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

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## **APPLICABLE CRITERIA**

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Consumer ABS Rating Criteria \(pub. 09 Jun 2020\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub. 17 Jun 2020\) \(including rating assumption sensitivity\)](#)

## **APPLICABLE MODELS**

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.8.0 (1)

## **ADDITIONAL DISCLOSURES**

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BBVA Consumo 8, FT

EU Issued

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