Europea de Titulización

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 **Standard & Poor's Global Ratings** ("**S&P**") con fecha 22 de junio de 2023, comunica que ha confirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

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

Se adjunta la comunicación emitida por S&P.

Madrid, 29 de junio de 2023

BBVA Consumo 10 Fondo de Titulizacion Spanish Consumer ABS Notes Ratings Affirmed

June 22, 2023

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Overview

- We have reviewed the performance of BBVA Consumo 10 Fondo De Titulizacion by conducting our credit and cash flow analysis and applying our relevant criteria.
- Following our review, we affirmed our ratings on all classes of notes.
- BBVA Consumo 10 is a Spanish ABS transaction that securitizes a portfolio of consumer loans originated by BBVA.

MADRID (S&P Global Ratings) June 22, 2023--S&P Global Ratings today affirmed its 'AA (sf)', 'A- (sf)', and 'B (sf)' credit ratings on BBVA Consumo 10 Fondo De Titulizacion's class A, B, and C notes, respectively.

Our ratings address timely payment of interest and principal for all notes.

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

We analyzed the transaction's credit risk under our updated global consumer ABS criteria. In our view, BBVA Consumo 10's cumulative gross losses have been higher than our assumptions at our previous review (see "BBVA Consumo 10 Fondo de Titulizacion Spanish Consumer ABS Notes Ratings Affirmed," published on June 30, 2022). As a result, we increased our base-case gross loss assumption to 4.95% from 4.00% in our previous review. We have applied multiples of 5x at the 'AAA' rating level, similar to in our previous review.

The transaction is amortizing sequentially since March 2021. Credit enhancement is provided through subordination, excess spread, and cash reserve. The reserve fund is amortizing and is at its required level of €3.73 million, as of the investor report in March 2023. The cash reserve is part of the available cash and is used to cover any shortfalls in the senior fees. It flows down the combined waterfall once the class A, B, and C notes are fully paid down. As of the March 2023 servicer report, the pool factor is currently at 42.54%, and the available credit enhancement for the class A, B, C, D notes has increased to 24.35%, 17.06%, 6.75%, and 2.98%, respectively. We only rate the class A to C notes in this transaction.

We have applied a recovery rate of 15% with a 45% haircut at the 'AAA' rating level in our cash flow analysis, in line with our previous review. This equates to a 8.25% stressed recovery rate. We have maintained the recovery lag of 12 months, which is unchanged since closing.

Table 1

Credit Assumption Summary ('AAA')

	Current review	2022 review
Base-case cumulative rate assumption (%)	4.95	4.00
Remaining losses applied in our analysis (%)	7.74%	4.74
Stress multiple (x)	5	5
Stressed cumulative recovery (%)*	8.25	8.25
Stressed net loss (%)	35.5	21.7

*100% of recoveries are realized 12 months after default.

Our cash flow analysis indicates that the available credit enhancement for the class A, B, and C notes in this transaction is sufficient to withstand the credit and cash flow stresses that we apply at the 'AA', 'A-', and 'B' rating levels, respectively. We therefore affirmed our 'AA (sf)', 'A- (sf)', and 'B (sf)' credit ratings on the class A, B, and C notes, respectively.

As part of our analysis we also conducted additional sensitivity analysis to assess the effect of, all else being equal, an increased gross default base case and a haircut to the recovery rate base case. For this purpose, we ran eight sensitivity runs by either increasing stressed defaults and/or reducing expected recoveries as below.

Table 2

Sensitivity analysis assumptions

	Recovery rate base case (%)		
Gross default rate base case (%)	0	(10)	(30)
0	Base case	Scenario 3	Scenario 4
10	Scenario 1	Scenario 5	Scenario 7
30	Scenario 2	Scenario 6	Scenario 8

Table 3

Sensitivity analysis

	Base run	1	2	3	4	5	6	7	8
Gross loss base case (%)	4.95	5.45	6.44	4.95	4.95	5.45	6.44	5.45	6.44
Recovery rate (%)	15.00	15.00	15.00	13.50	10.50	13.50	13.50	10.50	10.50
Remaining losses (%)	7.74	9.54	13.12	7.74	7.74	9.54	13.12	9.54	13.12
Class A	AA	A	BBB	AA	AA	A	BBB	A	BBB
Class B	A-	BBB	B+	A-	A-	BBB	B+	BBB	B+
Class C	B	NR	NR	B	B	NR	NR	NR	NR

NR--Not rated.

Operational, counterparty, and legal risks continue to be adequately mitigated, in our view, and do not constrain our ratings on the notes.

Related Criteria

- Criteria | Structured Finance | ABS: Global Consumer ABS Methodology And Assumptions , March 31, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities , Dec. 22, 2020
- 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
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment , May 28, 2009

Related Research

- Economic Outlook Eurozone Q2 2023: Rate Rises Weigh On Return To Growth, March 27, 2023
- BBVA Consumo 10 Fondo de Titulizacion Spanish Consumer ABS Notes Ratings Affirmed, June 30, 2022
- New Issue: BBVA Consumo 10 Fondo de Titulizacion, July 9, 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
- How We Rate And Monitor EMEA Structured Finance Transactions, March 24, 2016