

Hecho Relevante de

BBVA CONSUMO 9 FONDO DE TITULIZACIÓN

En virtud de lo establecido en el Folleto Informativo de **BBVA CONSUMO 9 FONDO DE TITULIZACIÓN** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **DBRS Ratings GmbH** (“**DBRS**”), con fecha 13 de marzo de 2019, comunica que ha confirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:
 - **Serie A: A (sf)**
 - **Serie B: BB (sf)**

Se adjunta la comunicación emitida por DBRS.

Madrid, 14 de marzo de 2019.



Date of Release: 13 March 2019

DBRS Confirms Ratings on BBVA Consumo 9 FT

Bloomberg: DBRS Confirms Ratings on BBVA Consumo 9 FT

Industry Group: Structured Finance

Sub-Industry: Consumer Loans

Region: Europe

DBRS Ratings GmbH (DBRS) confirmed its ratings of A (sf) on the Series A Notes and BB (sf) on the Series B Notes, issued by BBVA Consumo 9 FT (the Issuer).

The rating on the Series A Notes addresses the timely payment of interest and ultimate payment of principal on or before September 2033 (the final maturity date). The rating on the Series B Notes addresses the ultimate payment of interest and principal on or before the final maturity date.

The confirmations follow an annual review of the transaction and are based on the following analytical considerations:

- Portfolio performance, in terms of delinquencies, defaults and losses, as of the December 2018 payment date.
- Probability of default (PD), loss given default (LGD) and expected loss assumptions on the remaining receivables.
- Current available credit enhancement to the notes to cover the expected losses at their respective rating levels.

The Issuer is a securitisation of Spanish consumer loan receivables originated and serviced by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The transaction closed in March 2017 and included an 18-month revolving period, which ended in September 2018.

PORTFOLIO PERFORMANCE

As of December 2018, loans that were two- to three-months in arrears represented 0.4% of the outstanding portfolio balance, up from 0.2% in December 2017; the 90+ delinquency ratio was 1.9%, up from 0.5% in December 2017; and the cumulative default ratio was low at 0.1%.

PORTFOLIO ASSUMPTIONS

DBRS conducted a loan-by-loan analysis of the remaining pool of receivables and has updated its base case PD and LGD assumptions to 9.5% and 80.0% respectively.

CREDIT ENHANCEMENT

As of the December 2018 payment date, credit enhancement to the Series A Notes was 14.8% and credit enhancement to the Series B Notes was 4.9%, which is a slight increase from closing due to deleveraging of the transaction following the end of the revolving period. Credit enhancement is provided by the subordination of the junior classes and the cash reserve.

The transaction benefits from a cash reserve of EUR 61.9 million, which is available to cover senior fees, interest and principal on the Series A Notes and Series B Notes.

BBVA acts as the Account Bank for the transaction. Based on the reference rating of BBVA at A (high), which is one notch below its DBRS Long-Term Critical Obligations Rating (COR) of AA (low), the downgrade provisions outlined in the transaction documents, and other mitigating factors inherent in the transaction structure, DBRS considers the risk arising from the exposure to the Account Bank to be consistent with the ratings assigned to the Series A Notes, as described in DBRS's "Legal Criteria for European Structured Finance Transactions" methodology.



Notes:

All figures are in euros unless otherwise noted.

The principal methodology applicable to the ratings is the “Master European Structured Finance Surveillance Methodology”.

DBRS has applied the principal methodology consistently and conducted a review of the transaction in accordance with the principal methodology.

A review of the transaction legal documents was not conducted as the legal documents have remained unchanged since the most recent rating action.

Other methodologies referenced in this transaction are listed at the end of this press release.

These may be found on www.dbrs.com at: <http://www.dbrs.com/about/methodologies>.

For a more detailed discussion of the sovereign risk impact on Structured Finance ratings, please refer to “Appendix C: The Impact of Sovereign Ratings on Other DBRS Credit Ratings” of the “Rating Sovereign Governments” methodology at: <http://dbrs.com/research/333487/rating-sovereign-governments.pdf>.

The sources of data and information used for these ratings include investor reports provided by Europea de Titulización, S.A., S.G.F.T., and loan-level data provided by the European DataWarehouse GmbH.

DBRS did not rely upon third-party due diligence in order to conduct its analysis.

At the time of the initial ratings, DBRS was supplied with third-party assessments. However, this did not impact the rating analysis.

DBRS considers the data and information available to it for the purposes of providing these ratings to be of satisfactory quality.

DBRS does not audit or independently verify the data or information it receives in connection with the rating process.

The last rating action on this transaction took place on 13 March 2018, when DBRS confirmed its ratings of A (sf) on the Series A Notes and BB (sf) on the Series B Notes.

The lead analyst responsibilities for this transaction have been transferred to Alfonso Candelas.

Information regarding DBRS ratings, including definitions, policies and methodologies is available at www.dbrs.com.

To assess the impact of changing the transaction parameters on the rating, DBRS considered the following stress scenarios as compared with the parameters used to determine the rating (the Base Case):

-- DBRS expected a lifetime base case PD and LGD for the pool based on a review of the current assets. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative effect on credit ratings.

-- The base case PD and LGD of the current pool of loans for the Issuer are 9.5% and 80.0%, respectively.

-- The Risk Sensitivity overview below illustrates the ratings expected if the PD and LGD increase by a certain percentage over the base case assumption. For example, if the LGD increases by 50%, the rating on the Series A Notes would be expected to fall to A (low) (sf), assuming no change in the PD. If the PD increases by 50%, the rating on the



Series A Notes would be expected to fall to BBB (sf), assuming no change in the LGD. Furthermore, if both the PD and LGD increase by 50%, the rating on the Series A Notes would be expected to fall to BB (high) (sf).

Series A Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of A (low) (sf)
- 50% increase in LGD, expected rating of A (low) (sf)
- 25% increase in PD, expected rating of BBB (high) (sf)
- 50% increase in PD, expected rating of BBB (sf)
- 25% increase in PD and 25% increase in LGD, expected rating of BBB (sf)
- 25% increase in PD and 50% increase in LGD, expected rating of BBB (sf)
- 50% increase in PD and 25% increase in LGD, expected rating of BB (high) (sf)
- 50% increase in PD and 50% increase in LGD, expected rating of BB (high) (sf)

Series B Notes Risk Sensitivity:

- 25% increase in LGD, expected rating of B (high) (sf)
- 50% increase in LGD, expected rating of B (high) (sf)
- 25% increase in PD, expected rating of B (high) (sf)
- 50% increase in PD, expected rating of B (sf)
- 25% increase in PD and 25% increase in LGD, expected rating below B (sf)
- 25% increase in PD and 50% increase in LGD, expected rating below B (sf)
- 50% increase in PD and 25% increase in LGD, expected rating below B (sf)
- 50% increase in PD and 50% increase in LGD, expected rating below B (sf)

For further information on DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings GmbH are subject to EU and US regulations only.

Lead Analyst: Alfonso Candelas, Senior Vice President
Rating Committee Chair: Vito Natale, Managing Director
Initial Rating Date: 23 March 2017

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The rating methodologies used in the analysis of this transaction can be found at:
<http://www.dbrs.com/about/methodologies>.

- Legal Criteria for European Structured Finance Transactions
- Master European Structured Finance Surveillance Methodology
- Operational Risk Assessment for European Structured Finance Servicers
- Rating European Consumer and Commercial Asset-Backed Securitisations
- Operational Risk Assessment for European Structured Finance Originators
- Interest Rate Stresses for European Structured Finance Transactions

A description of how DBRS analyses structured finance transactions and how the methodologies are collectively applied can be found at: <http://www.dbrs.com/research/278375>.

For more information on this credit or on this industry, visit www.dbrs.com or contact us at info@dbrs.com.



<u>Issuer</u>	<u>Debt Rated</u>	<u>Rating Action</u>	<u>Rating</u>	<u>Trend</u>
BBVA Consumo 9 FT	Series A Notes (ES0305252001)	Confirm	A (sf)	-
BBVA Consumo 9 FT	Series B Notes (ES0305252019)	Confirm	BB (sf)	-

Contacts

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