

CRR ASSESSMENT

BBVA CONSUMER AUTO 2024-1



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

19th September 2024

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19th September 2024

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	19 September 2024
The transaction to be verified (the "Transaction")	BBVA CONSUMER AUTO 2024-1
Issuer	BBVA CONSUMER AUTO 2024-1, FONDO DE TITULIZACIÓN
Originator	Banco Bilbao Vizcaya Argentaria, S.A.("BBVA")
Lead Manager(s)	BBVA, Société Générale,
Transaction Legal Counsel	J&A Garrigues, S.L.P.
Rating Agencies	DBRS, Fitch
Stock Exchange	AIAF
Closing Date	19 September 2024

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

Article 243 (NOTE 1)

2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

NOTE 1: REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended from time to time.

1a

CRR Criteria

(a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.

Meets Criteria?
YES

PCS Comments

See Prospectus, *ADDITIONAL INFORMATION TO BE INCLUDED IN RELATION TO ASSET-BACKED SECURITIES*.

2. UNDERLYING ASSETS

2.2 Assets backing the issue

2.2.2.(c) In relation to those obligors referred to in point (b), any global statistical data referred to the securitised assets

a) Information as to number of the selected loan obligors and type of employment of obligors

The selected loan obligors are individuals. The following table gives the concentration of the twenty obligors with the greatest weight in the portfolio of selected loans on 18 June 2024.

Distribution by Obligor concentration

Principal Balance %

Obligor 1: 0.01(%)

As this is not a revolving transaction, the initial statistics for the portfolio are sufficient to indicate that the aggregate exposure to a single obligor does not exceed 2% of the aggregate exposure values of the pool.

1b	<p>CRR Criteria</p> <p>In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);</p>	<p>Meets Criteria? YES</p>
	<p>PCS Comments</p> <p><i>Not applicable.</i></p>	
2	<p>CRR Criteria</p> <p>(b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:</p> <p>(i) 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1);</p> <p>(ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;</p> <p>(iii) 75 % on an individual exposure basis where the exposure is a retail exposure (NOTE 2);</p> <p>(iv) for any other exposures, 100 % on an individual exposure basis (NOTE 3);</p> <p>NOTE 2: For retail exposures, see article 123 on “Retail exposures”. It is noted that Article 123 has been amended by Regulation (EU) 2024/1623 of 31 May 2024, and that it contains provisions that are in force as of 9 July 2024 and other provisions that will be in force as of 1 January 2025. In particular, “Retail Exposures” shall satisfy the following additional requirements:</p> <p><<1. Exposures that comply with all of the following criteria shall be considered retail exposures:</p> <p>(a) the exposure is to one or more natural persons or to an SME;</p> <p>(b) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property, up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;</p> <p>(c) the exposure represents one of a significant number of exposures with similar characteristics, such that the risks associated with such exposure are substantially reduced;</p> <p>(d) the institution concerned treats the exposure in its risk management framework and manages the exposure internally as a retail exposure consistently over time and in a manner that is similar to the treatment by the institution of other retail exposures.>> NB: this §1(d) shall be in force starting from 1 January 2025.</p> <p><<The present value of retail minimum lease payments shall be eligible for the retail exposure class. (...)</p> <p>(...) 4. Where any of the criteria referred to in paragraph 1 are not met for an exposure to one or more natural persons, the exposure shall be considered a retail exposure and shall be assigned a risk weight of 100 %.>> NB: this §(4) shall be in force starting from 1 January 2025.</p> <p>In addition, specific provisions apply to salary /pension backed exposures and to transactor exposures (as defined in the Regulation (EU) 2024/1623 of 31 May 2024).</p> <p>NOTE 3: For SME loans see also Article 501 on “Adjustment of risk-weighted non-defaulted SME exposures for “SME Loans” of the Regulation (EU) No 575/2013, as amended and supplemented, including pursuant to Regulation (EU) 2024/1623 of 31 May 2024. From January 2025, in Article 501(2), points (a) and (b) are replaced by the following:</p>	<p>Meets Criteria? YES</p>

	<p>(a) the exposure to an SME shall be included either in the retail or in the corporates or secured by mortgages on immovable property exposure classes but excluding ADC exposures;</p> <p>(b) an SME shall have the meaning laid down in Article 5, point (9);</p> <p>“land acquisition, development and construction exposures”, or “ADC exposures”, means exposures to corporates or special purpose entities financing any land acquisition for development and construction purposes, or financing the development and construction of any residential property or commercial immovable property;</p> <p>“non-ADC exposure” means any exposure secured by one or more residential properties or commercial immovable properties that is not an ADC exposure;</p> <p>Article 126a (1) An ADC exposure shall be assigned a risk weight of 150 %.</p>	
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>ADDITIONAL INFORMATION TO BE INCLUDED IN RELATION TO ASSET-BACKED SECURITIES</i>.</p> <p>2. UNDERLYING ASSETS</p> <p>2.2.8 Indication of representations and warranties given to the Issuer relating to the assets</p> <p>BBVA, as owner of the Receivables until their assignment to the Fund and as Originator, shall give the following representations and warranties in relation to itself and to the Receivables to the Management Company, on the Fund’s behalf, by virtue of the Deed of Incorporation and the Receivables Assignment Agreement.</p> <p>2. The Originator in relation to the Loans and the Receivables assigned to the Fund.</p> <p>2.1 Eligibility Criteria</p> <p>(34) That each Loan meets, at the date of assignment to the Fund, the conditions for being assigned, under the standardised approach, a risk weight equal to or smaller than 75% on an individual basis exposure, in accordance with Article 243.2.b) of CRR.</p>	
3	<p><u>CRR Criteria</u></p> <p>(c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;</p>	<p><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u></p> <p><i>Not applicable.</i></p>	
4	<p><u>CRR Criteria</u></p> <p>(d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).</p>	<p><u>Meets Criteria?</u> YES</p>
	<p><u>PCS Comments</u></p> <p><i>Not applicable.</i></p>	