Rating Report

Caixabank Consumo 4, FT

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DBRS

Insight beyond the rating.

Ratings and Issuer's Assets and Liabilities

Debt	Par Amount (EUR) 1	Tranche Size / Subordination 2	Coupon	Rating	Rating Action Date	Rating Action
Class A Notes ES0305343008	1,564,000,000	92.0% / 12.0%	1.50%	AA (low) (sf)	30 May 2018	Provisional Rating - Finalised
Class B Notes ES0305343016	136,000,000	8.0% / 4.0%	2.50%	BB (high) (sf)	30 May 2018	Provisional Rating - Finalised
Reserve Fund	68,000,000	4.0% / -		--	--	--

Notes:
1 As at the issue date.
2 Subordination is expressed in terms of portfolio over-collateralisation and includes the reserve fund fully funded with a subordinate loan on the issue date.
3 The rating addresses the timely payment of interest and ultimate repayment of principal by the final legal maturity date.

	Initial Amount (EUR) 1	Size
Asset Portfolio 2	1,841,533,803	100.0%
Reserve Fund	68,000,000	4.0% of the collateral portfolio

Note:
1 As at the issue date.
2 The portfolio cut-off date as at 25 April 2018.

DBRS assigned provisional ratings and subsequently finalised the provisional rating of AA (low) (sf) and BB (high) (sf) respectively to the EUR 1.564 billion Fixed Rate Class A Notes (the Class A Notes) and the EUR 136 million Fixed Rate Class B Notes (the Class B Notes; together with the Class A Notes, the Notes) issued under this transaction.

The transaction represents the issuance of notes backed by a static pool of receivables related to unsecured consumer loans originated by CaixaBank, S.A. (CaixaBank or the originator) and subsequently assigned to Caixabank Consumo 4, FT (Caixabank Consumo 4 or the Issuer).

Issuer	Caixabank Consumo 4, FT
Issuer jurisdiction of incorporation	Kingdom of Spain
Asset governing jurisdiction	Kingdom of Spain
Sovereign rating	A
Asset comprising the underlying collateral portfolio	Unsecured Consumer Loans
Originator / Seller	CaixaBank S.A.
Servicer	CaixaBank S.A.
Back-up Servicer	N/A

Portfolio Summary (as at 25 April 2018)

Current Portfolio Balance	EUR 1,841,533,803	**Number of Contracts**	272,205
Original Principal Balance	EUR 2,106,899,668	**Number of Borrowers**	247,905
Weighted-Average Remaining Term	51 months	**Weighted-Average Interest Rate**	9.32%
		Percentage of loans in 30-day arrears	2.46%

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Transaction Parties

Roles	Counterparty	Ratings
Issuer	Caixabank Consumo 4, FT	N/A
Originator/Sellers/ Servicer	CaixaBank S.A.	A / R-1 (low) / Stable 1 COR: AA (low) / R-1 (middle) Stable 2
Subordinated Loan Provider (Initial expenses and Reserve Fund)	CaixaBank S.A.	A / R-1 (low) / Stable COR: AA (low) / R-1 (middle) Stable
Account Bank and Paying Agent	CaixaBank S.A.	A / R-1 (low) / Stable COR: AA (low) / R-1 (middle) Stable
Arranger and Management Company	CaixaBank Titulización SGFT, S.A.	Not Rated
Guaranteed Reinvestment Agreement Provider	CaixaBank S.A.	A / R-1 (low) / Stable COR: AA (low) / R-1 (middle) Stable

1 Long-term and short-term senior debt ratings are referenced unless otherwise specified.
2 Critical Obligation Ratings

Relevant Dates

Issue date	28 May 2018
Portfolio valuation date	25 April 2018
First payment date	23 October 2018
Payment dates	23rd calendar day of January, April, July and October
Interest periods	Quarterly
Collection periods	Each day of any calendar month
Legal maturity date	23 July 2056

Rating Considerations

- Of the receivables comprising the portfolio, 93.3% pay a fixed interest rate and the remaining 6.7% pay a floating interest rate.
- The collateral portfolio is static; the Notes will amortise on the first payment date on a strictly sequential basis.
- The structure envisages a single waterfall aiming to amortise the Class A and the Class B Notes by an amount equal to the positive difference between (1) the amount outstanding of the Class A and Class B Notes on each interest payment date and (2) the outstanding balance of the non-defaulted portfolio.
- Interest on the Class A Notes is paid senior to principal repayment and principal of the Class A Notes is senior to the interest payments of the Class B Notes.
- The Class A Notes benefit from a reserve fund that can be used to pay senior expenses,interest and principal shortfall on the Class A Notes.

Strengths

- Diversified Porfolio: The portfolio consists of 272,205 credit right parts to 247,905 borrowers with the three largest autonomous regions being Catalonia (33.5%), Andalusia (17.5%) and Madrid (11.0%).
- CaixaBank (with a Long Term Critical Obligations Rating of AA (low) and a Short Term Critical Obligation Rating of R-1 (middle)) is an experienced originator and servicer in the consumer finance business and a financially strong banking institution.
- Sequential amortisation: The Class A Notes benefit from full sequential amortisation. The Class B Notes will not begin to amortise until the Class A Notes are redeemed in full.
- Amortising Reserve Fund: The Reserve Fund provides liquidity and credit support to the Class A and Class B Notes. The reserve fund is fully funded at the close of the transaction in an amount equal to 4.0% of the Class A and Class B Notes. The reserve fund will amortise subject to a floor and collateral performance triggers.

Challenges

- Bullet Loans: Interest-only loans comprise 7.12% of the collateral balance. Of these loans 73.40% have a current principal loan balance equal or greater than EUR 50,000 and 18.45% have a current principal balance equal or greater than EUR 500,000.

  Mitigants: DBRS considers that these loans have a higher probability of default compared with the rest of the loans in the portfolio because the borrowers will have to pay down the total principal balance at the maturity date exposing them to high refinancing risk. DBRS has further stressed the probability of default of these loans in its loss analysis and cash flow analysis.
- Renegotiations: CaixaBank is able to renegotiate the maturity date, interest rate type and margin of the loans subject to strict criteria.

  Mitigants: DBRS reflected this optionality in its cash flow modelling by extending the maturity date of 5% of the portfolio to the longest possible date and reducing the weighted-average interest rate of the collateral balance to a maximum of 7.50% in line with the renegotiation criteria
- Interest Rate and Basis Risk: The interest rate risk and basis risk in this transaction are unhedged. The Class A and the Class B Notes pay a fixed rate, whereas 93.3% of the loans in the whole portfolio are fixed rate.

  Mitigants: (1) Interest rate risk and basis risk for the Class A Notes are partially mitigated by the subordination of the Class B Notes interest payments in the priority of payments; (2) the Reserve Fund is available to cover interest payments to the Class A Notes; and (3) the high initial excess spread in the transaction with a portfolio weighted-average interest rate of 9.3%.

Transaction Structure

Transaction Summary

Currencies	Issuer's assets and liabilities are denominated in euros (EUR).	
Relevant Jurisdictions	Loan contracts are ruled by Spanish securitisation law. The transaction documents are ruled by Spanish securitisation law. The issuer is incorporated under Spanish law.	
Basis Risk Hedging	None	
Interest Rate Risk Hedging	None	
Reserve Fund	Provides credit support to the Class A Notes and is available to cover senior expenses, interest on Class A Notes and gross losses	
	Initial Amount (EUR)	68,000,000 (4.0% of the initial balance of the rated notes)
	Target Amount (EUR)	4.0% of the outstanding amount of the Class A and Class B Notes.
	Floor Amount (EUR)	4.0% of the outstanding amount of the Class A and Class B Notes.
	Trigger	The Reserve Fund will not amortise if (1) the Reserve Fund was not at the target balance at the beginning of the interest payment period; or (2) one year has not elapsed since the closing date.
Commingling Reserve	None	

Counterparty Assessment

The Issuer

The Issuer is a special purpose vehicle (SPV), incorporated and registered in the Kingdom of Spain as a securitisation fund (*Fondo de Titulización*) through a public deed (*Escritura de Constitución*) executed on 28 May 2018.

The Issuer was established with the exclusive purpose to enter into this securitisation transactions the scope within which it is allowed to purchase the receivables, to issue notes and to enter into the relevant transaction documents, and to carry out the activities related to this transaction. The Management Company of the Issuer's board of directors is formed by five directors.

The Issuer has no subsidiaries or employees and has not carried on any business or activities other than those incidental to its incorporation, the authorisation and the other activities incidental to the exercise of its rights and compliance with its obligations under the transaction. The Issuer does not directly conduct any activity and thus has no employees of its own; however, it appointed the transaction parties to conduct all activities necessary to its existence and the management of this securitisation transaction.

Pursuant to the terms of the transaction documents, the Management Company, Societad Gestora, CaixaBank Titulización, S.G.F.T., S.A. will provide the directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee. Likewise, the Issuer has mandated the other transaction parties to conduct all the activities necessary to enable the continuation of this transaction.

Account Bank

CaixaBank S.A. was appointed as the Issuer's account bank for the transaction. DBRS holds the following public ratings on CaixaBank S.A. and has concluded that it meets DBRS's minimum criteria to act in its capacity as account bank.

Caixabank S.A.	Rating	Trend
Long-Term Critical Obligation Rating	AA (low)	Stable
Short-Term Critical Obligation Rating	R-1 (middle)	Stable
Long-Term Issuer Rating	A	Stable
Long-Term Senior Unsecured Debt Rating	A	Stable
Short-Term Senior Unsecured Debt Rating	R-1 (low)	Stable

The transaction contains downgrade provisions relating to the account bank consistent with DBRS's criteria as at the date of this report.

The downgrade provisions require that CaixaBank S.A. is replaced as account bank upon breach of certain rating provisions. If the account bank's applicable DBRS rating is downgraded below BBB (high), then within 30 labour days, the Management Company on behalf of the fund would need to (1) find a guarantor with the minimum DBRS rating of BBB (high) who will unconditionally and irrevocably guarantee the obligations of the treasury account agreement or (2) find a replacement with the minimum DBRS Account Bank rating of BBB (high).

The Account Bank holds the Issuer's accounts where the Issuer deposits all its funds, particularly the Issuer's main account, the Treasury Account, that holds: (1) principal and interest collections, (2) any other revenue directly or indirectly derived from the assigned receivables, (3) the reserve fund (Cash Reserve Amount) and (4) funds required to pay the Issuer's set-up expenses provided on the settlement date by CaixaBank S.A. through the subordinated loan.

The Treasury Account's balance will be always positive and no interest will be earned on the funds held in this account as per the Account Bank Agreement.

The Management Company will enter into a paying agency agreement with CaixaBank on behalf of the Fund. The Paying Agent holds the Treasury Account. The Paying Agent will receive all the amounts needed to attend the Issuer payments and performs the calculation of the amounts due and payable.

Hedging Counterparty
N/A

Originator and Servicing
The receivables backing the notes were assigned by CaixaBank as the receivables' Seller. The receivables are related to consumer loan contracts originated by CaixaBank S.A. in Spain, in its normal course of business.

DBRS conducted an operational review of CaixaBank S.A.'s consumer loans operation in May 2017 in Barcelona, Spain. DBRS considers the originations and servicing practices of CaixaBank to be consistent with those observed among other Spanish lenders.

CaixaBank is Spain's third largest banking group by total assets, and is a commercial bank in Spain that provides universal banking services to individuals, small and medium-sized enterprises (SMEs) and corporates. It is headquartered in Barcelona and has a nationwide footprint focusing on retail banking and insurance. At end-2016, CaixaBank had over 14 million customers, a network of 5,379 branches and market shares for loans and deposits of 15.8% and 14.2%, respectively. Criteria Caixa, an investment holding company, is CaixaBank's majority shareholder with a 40% stake.

CaixaBank has a long track record of domestic banking integrations as it has acquired five different banks in Spain since 2010 for a total volume of approximately EUR122 billion. The major banking acquisitions were Banca Cívica (EUR72 billion), Banco de Valencia (EUR21 billion) and Barclays Bank SAU (Barclays Spain, EUR22 billion).

In February 2017, CaixaBank acquired a majority ownership (84.5% of the share capital) of Portugal's Banco BPI, S.A. (BPI). On 6 May 2018, it announced the purchase of a further 8.4% stake in BPI, bringing its share capital to 93%. CaixaBank has been in the shareholding of BPI since 1995. BPI's assets, loans and deposits account for approximately 10% of the group.

CaixaBank's long-term debt rating was upgraded by DBRS to 'A' with a Stable trend in April 2018.

Further information about the origination procedures can be found in the report's appendix.

Servicing and Management of Collections
CaixaBank is the Originator and Seller of the receivables and will service the portfolio on mandate by the Issuer in accordance with its customary practices. As per the ratings mentioned above, DBRS concluded that CaixaBank meets the minimum criteria to act as Originator and Servicer.

All borrower payments are collected by CaixaBank under a direct debit scheme and deposited in the Treasury Account with CaixaBank. Payments are transferred from the servicer account to the Treasury Account with the Account Bank in the name of the Fund on the following business day after receipt of funds.

In case of termination of the servicing agreement with the Servicer, the Management Company is responsible for appointing a new servicer. If the Servicer's DBRS rating is downgraded below BBB (low), the Servicer would need to (1) find a replacement servicer, (2) find a back-up servicer or (3) fund a commingling reserve in line with DBRS criteria. DBRS believes that the Servicer's current financial condition, together with the provisions, mitigates the risk of a disruption in servicing following a servicer event of default including insolvency.

Funds available to the Issuer are collections made under the securitised receivables, including interest and principal components of instalments and recoveries under defaulted receivables. Additional sources of funds available to the Issuer are represented by the Cash Reserve held by the Issuer with the Account Bank. On each payment date, the amounts available in the Treasury Account will be distributed in accordance with the Priority of Payments as summarised below

The available funds must be disbursed by the Issuer, as per the terms of the transaction documents, on specified dates (the payment dates). Funds processed on a given payment date are payments related to a specific quarterly period ending prior to the payment date (the collection period) and amounts collected but referred to during the following collection period should only be processed on the relevant payment date.

The Servicer is allowed to negotiate changes to existing credit rights within the permitted variations foreseen in the servicing agreement. The permitted variations are mainly limited to changes in the interest rate and maturity of the credit rights.

The Reserve Fund

As of the Closing Date, the balance in the Reserve Fund was EUR 68.0 million, which is equivalent to 4% of the Notes.

The Reserve Fund is available to cover senior expenses as well as missed interest and principal payments on the notes, firstly on theClass A Notes and then on Class B Notes once the Class A Notes have paid in full.

The Reserve Fund balance must be maintained at the Minimum Level, defined as the 4% of the outstanding principal balance of the Notes. However, no reduction of the required Reserve Fund level will be allowed (1) in the first year or (2) if the Reserve Fund was not funded to the Minimum Level on the previous payment date.

On the issue date, the EUR 68,000,000 reserve fund was funded by the Originator (as the subordinated lender) through a subordinated loan, granted by CaixaBank (as the transaction subordinate lender).

Use of Funds

Prior to its liquidation, the Issuer applies a single combined priority of payments as summarised below[1]:

1. Ordinary and extraordinary expenses and the servicing fee (if CaixaBank ceases to be the servicer);
2. Interest due on the Class A Notes;
3. Principal on the Class A Notes;
4. Replenishment of the Reserve Fund to the target level;
5. Interest due on the Class B Notes;
6. Principal on the Class B Notes;
7. Replenishment of the Reserve Fund to the target level once the Class A Notes have been fully amortised;
8. Interest on the Subordinated Loan for initial expenses;
9. Principal on the Subordinated Loan for initial expenses;
10. Interest on the Subordinated Loan for the Reserve Fund;
11. Principal on the Subordinated Loan for the Reserve Fund;
12. Servicing fee (if CaixaBank is the servicer);
13. Payment of the financial intermediary margin.

1. This report does not aim to provide a detailed description of the transaction documents, the terms and conditions of the Notes or of the priority of payments. This reports provides a high-level summary that cannot be exhaustive; the reader who wants to fully understand the structure should refer to the transaction documents or to the prospectus. The description provided in this report is partial and cannot be as accurate as the transaction documents.

Upon liquidation of the Issuer at the legal final maturity date or upon early termination of the Issuer, the available funds and any amounts received by the Issuer after the sale of the remaining mortgage portfolio will be distributed through the Post-Enforcement Priority of Payments:

1. Expenses related to the liquidation of the Fund or liquidation of taxes, administrative or advertising costs;
2. Payment of taxes, ordinary and extraordinary expenses and the servicing fee (if CaixaBank is not the servicer);
3. Interest due on the Class A Notes;
4. Principal on the Class A Notes;
5. Interest due on the Class B Notes;
6. Principal on the Class B Notes;
7. Interest on the Subordinated Loan for initial expenses;
8. Principal on the Subordinated Loan for initial expenses;
9. Interest on the Subordinated Loan for the Reserve Fund;
10. Principal on the Subordinated Loan for the Reserve Fund;
11. Servicing fee (as long as CaixaBank is the servicer);
12. Payment of the financial intermediary margin.

The Collateral Portfolio

On issue date, the Seller transferred a portfolio of about EUR 1.7 billion of receivables. The purchase price of the receivables will be funded with the proceeds from the subscription of the Notes. The portfolio cut-off date is 25 April 2018.

The receivables comprising the portfolio are related to unsecured consumer loans - either standard loans or pre-approved loans- granted by the Originator to individuals residing in Spain.

Eligibility Criteria

The receivables comprising the portfolio have been selected in accordance with specific criteria, including broad criteria covering the nature of the receivables (e.g. currency, originator, etc.). Some of the specific criteria are summarised below:

- At the closing date, up to 5.0% of the initial balance of the portfolio may be up to 30 days in arrears, and none of the credit rights will be greater than 30 days in arrears.
- None of the credit rights have a maturity date later than 11 November 2052.
- All of the borrowers make payments via direct debit.
- All of the credit rights are used for consumer purposes granted to individuals residing in Spain.
- None of the credit rights have previously been subject to a grace period for interest.
- None of the credit rights have been restructured.
- None of the borrowers will be employees of CaixaBank.

For a complete list of criteria, reference should be made to the transaction documents or the prospectus.

Portfolio Summary

DBRS has analysed the final portfolio that was assigned to the Issuer as at 28 May 2018 (the cut-off date). The main characteristics of the portfolio are summarised below:

	CB Consumo 4 (Provisional Pool)
Date	**25/04/2018**
Number of credits rights	272,205
Total Original Balance (EUR)	2,106,899,668
Total Current Balance (EUR)	1,841,533,803
Number of Borrowers	247,905
Average Original Balance per Borrower (EUR)	8,499
Average Current Balance per Borrower (EUR)	7,428
Maximum Original Balance (EUR)	6,000,000
Maximum Current Balance (EUR)	6,000,000
WA Seasoning (months)	8.37
WA Remaining Term (months)	51.0
WA Interest Rate	9.32
WA Margin	3.95%
Fixed-rate loans	93.29%
Self-Employed	17.96%
Pre-approved loans	42.43%
Foreign Nationals	8.63%
Percentage of loans in 30-day arrears	2.46%
Bullet Loans	7.12%

Rating Analysis

The ratings are based on DBRS's review of the following analytical considerations:

- The transaction's capital structure and the form and sufficiency of available credit enhancement in the form of (1) subordination, (2) reserve funds and (3) excess spread.
- Credit enhancement levels are sufficient to support DBRS's projected expected cumulative loss assumption under various stressed cash flow assumptions for the Notes;
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms of the transaction documents;
- The Originator and Servicer's financial strength and capabilities with respect to originations, underwriting, servicing and financial strength;
- DBRS conducted an operational risk review at CaixaBank's premises in Barcelona and deems it an acceptable Originator and Servicer;
- The credit quality of the collateral and ability of the Servicer to perform collection activities on the collateral;
- The sovereign rating of the Kingdom of Spain, currently at 'A'; and
- The legal structure and presence of legal opinions addressing the assignment of the assets to the issuer and consistency with DBRS's *Legal Criteria for European Structured Finance Transactions* methodology.

Portfolio Performance Data

DBRS received a detailed set of performance data related to the portfolio originated by CaixaBank comprising the following:

- Quarterly static 90+ days arrears from Q1 2008 and up to the end of 2017.
- Quarterly static 90+ days recoveries Q1 2008 and up to the end of 2017.

The 90+ days arrears and recovery data was also provided split by product type (standard consumer loans, pre-approved consumer loans and bullet loans).

DBRS was also provided with detailed loan-by-loan data of the final portfolio selected by CaixaBank as at 25 April 2018 and the amortisation schedule related to this portfolio.

All information used for the analysis was sourced by CaixaBank directly or indirectly through the transaction Management Company CaixaBank de Titulización SGFT, S.A.

DBRS did not rely upon third-party due diligence in order to conduct its analysis. DBRS considers the data and information available to it for the purposes of providing this rating to be of satisfactory quality.

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

Default and Recovery Assumptions

CaixaBank provided DBRS with quarterly vintage default (gross loss) and vintage recovery analysis. The vintage analysis is based on the securitised stock originated by CaixaBank over the years. Default and recovery analyses have been provided for the total portfolio split between standard consumer loans, pre-approved loans and bullet loans. DBRS received historical performance data on gross defaults from Q1 2008 to Q4 2017.

The definition of default used to extract the data is loans which are in arrears for longer than 90 days, which is different from the definition used in the prospectus. However, DBRS also received quarterly vintage data for static 90+ days arrears and related recoveries from Q1 2008 and up to the end of 2017 and considered it in its analysis.

DBRS analysed the historical data performance to determine the base gross. The base assumptions are used in accordance with DBRS methodology to determine the losses for the relevant rating scenario by applying additional losses as detailed in the relevant DBRS methodology.

As with the default information, DBRS received historical performance data on recoveries from Q1 2008 to Q4 2017 and split between standard consumer loans and pre-approved consumer loans.

The static default and recovery data is summarised below in charts by product type and per quarterly vintages:

Default Data

Exhibit 1: Standard Consumer Loans

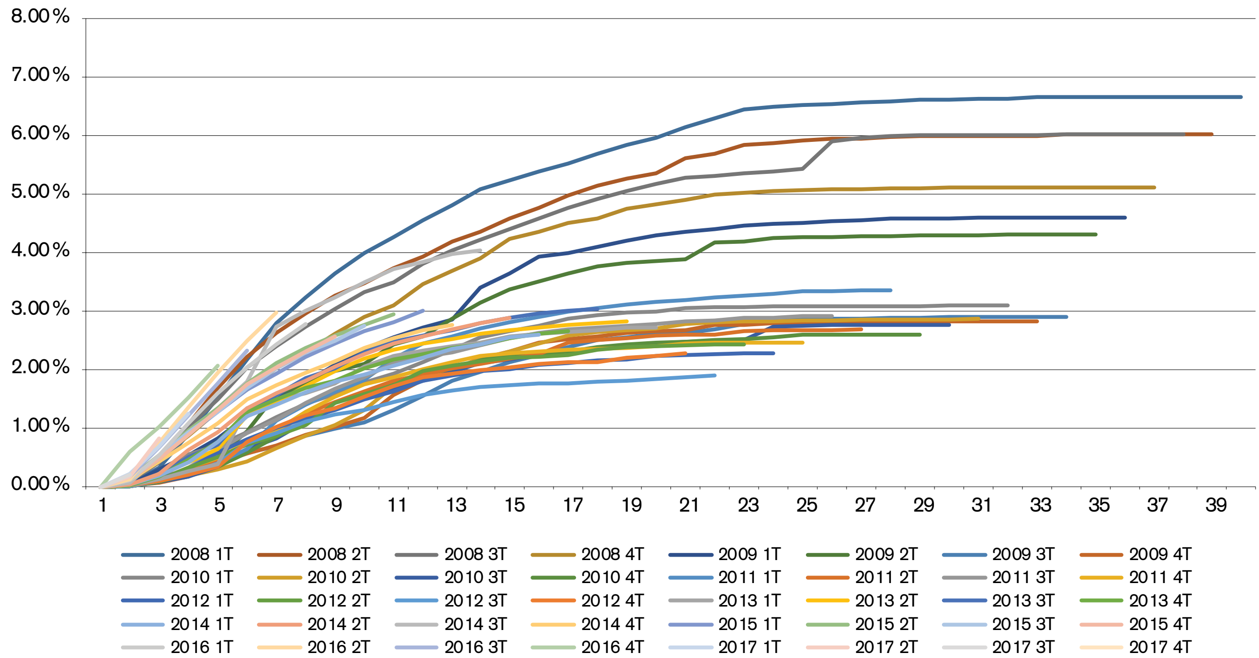
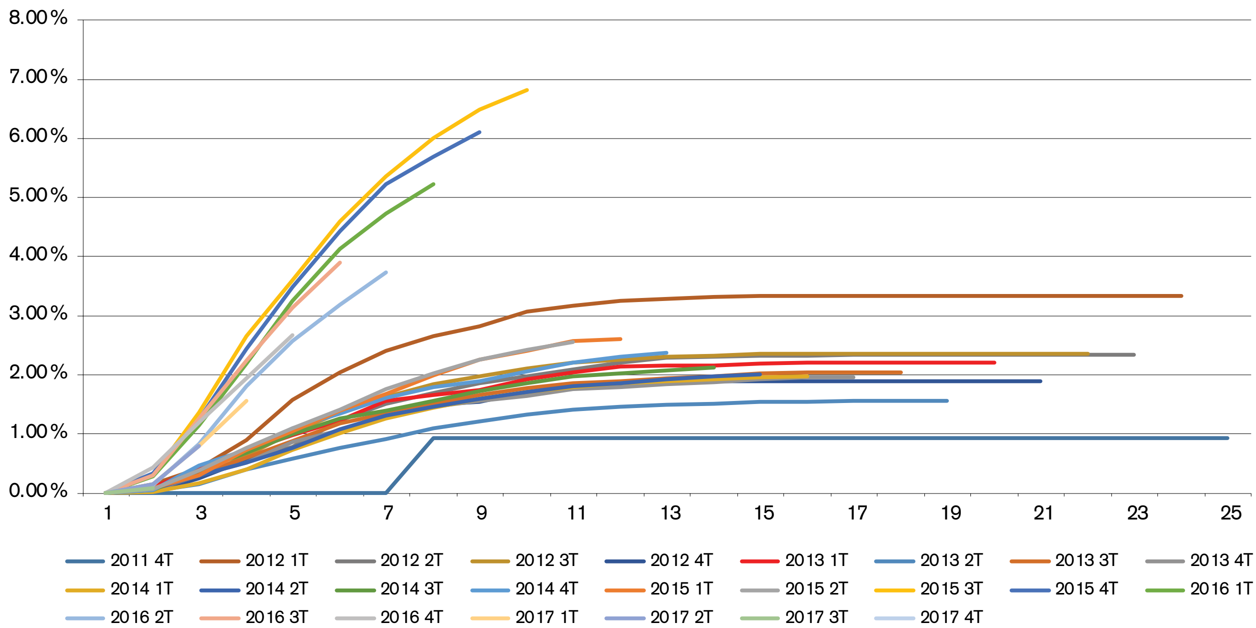


Exhibit 2: Pre-approved Consumer Loans



Recoveries (Loss Severities)

Exhibit 3: Standard Consumer Loans

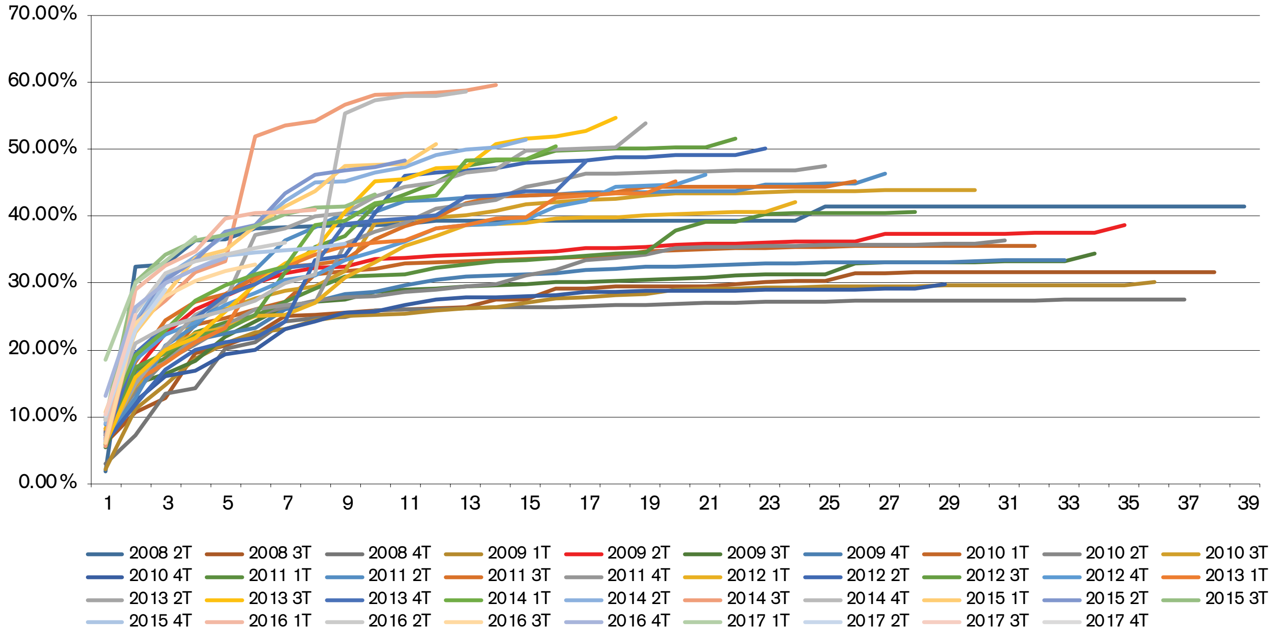
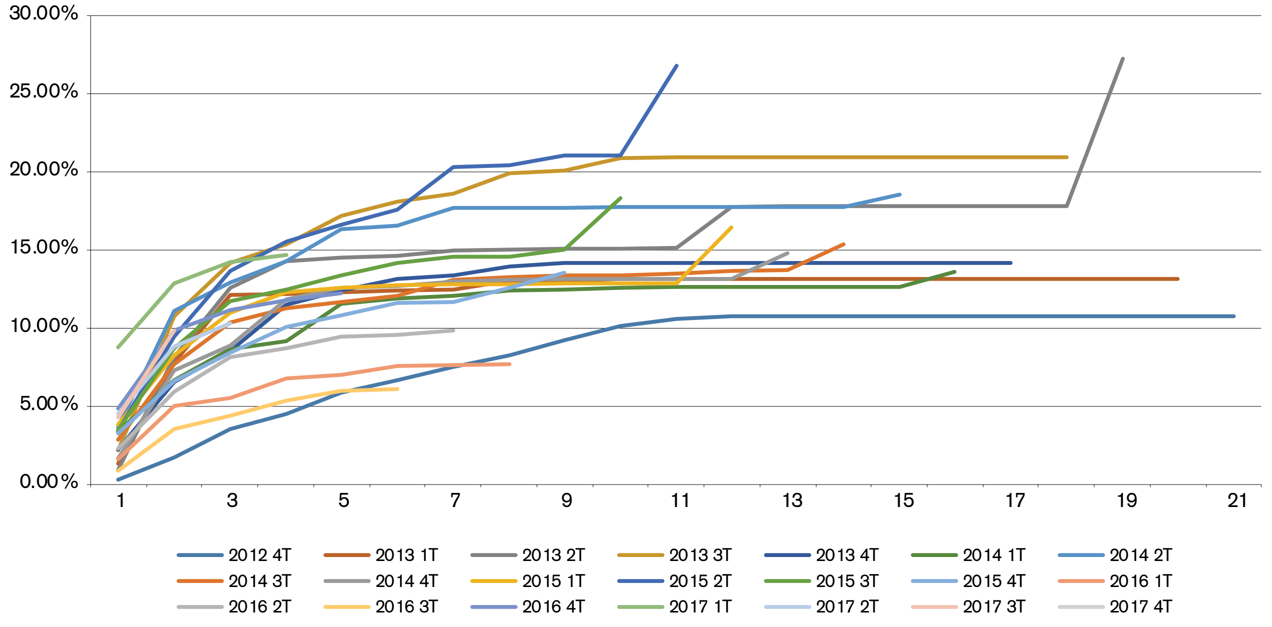


Exhibit 4: Pre-approved Consumer loans



Bullet Loans

Bullet Loans are interest-only loans comprising 7.12% of the collateral balance, and some of these loans have a larger than usual size. About 64.85% of all bullet loans are secured by assets deposited and pledged with the bank. The benefit of such security interest is transferred to the issuer by the bank and forms part of the receivables, but, since there is no direct pledge in favour of the Issuer, the right of the Issuer depends on the capacity of bank to enforce it in accordance with the terms of the transaction documents.

Most of these assets are investment funds or other securities and investment deposits with the bank. DBRS understands that at the moment of the assignment about 60.1% of the securities were valued by the bank equal or higher to the value of the related loan.

DBRS did not give value to the recoveries from the sale of the securities in the highest rating scenarios because of the uncertainty of the valuations of the securities in distressed scenarios. Despite very low historical losses, DBRS considers bullet loans with outstanding amounts comparable with average household annual incomes to bear higher risks of default in scenarios related to ratings higher than the ratings of the banks and the sovereigns. This risk was addressed with additional stresses proportional to the size of the bullet payment due at maturity.

The portfolio's loss was calculated as a weighted-average sum of the losses calculated by product type and by applying the additional stresses. The loss assumptions used are summarised below:

Relevant Rating Level	AA (low) (sf)
Gross Loss	23.6%
Recovery Rate	23.0%

Relevant Rating Level	BB (high) (sf)
Gross Loss	11.4%
Recovery Rate	28.7%

Summary of the Cash Flow Scenarios

DBRS's cash flow model assumptions focused on the amount and timing of defaults and recoveries, prepayment speeds and interest rates. Based on a combination of these assumptions, a total of 18 cash flow scenarios were applied to test the performance of the rated Notes (please see table below).

Scenario	Prepayments	Default Timing	Interest Rate
1	Low	Front	Upward
2	Low	Middle	Upward
3	Low	Back	Upward
4	Base	Front	Upward
5	Base	Middle	Upward
6	Base	Back	Upward
7	High	Front	Upward
8	High	Middle	Upward
9	High	Back	Upward
10	Low	Front	Downward
11	Low	Middle	Downward
12	Low	Back	Downward
13	Base	Front	Downward
14	Base	Middle	Downward
15	Base	Back	Downward
16	High	Front	Downward
17	High	Middle	Downward
18	High	Back	Downward

Prepayment Speeds and Prepayment Stress

DBRS has not been provided with prepayment data from CaixaBank. Considering other Spanish asset-backed security transactions with similar collateral as well as from the same or similar originators, DBRS has assumed prepayments from 0.0% to 20.0%.

Interest Rate Risk, Basis Risk and Excess Spread

Interest rate risk is partially mitigated as the Class A and Class B Notes have a fixed-rate coupon and 93.3% of the portfolio pays a fixed interest rate. Basis risk is addressed in DBRS's analysis by incorporating stressed spread assumptions in its cash flow modelling. DBRS took into account the margin compression and interest rate reduction options on the loans as described in the paragraph Loan Modifications below.

Interest Rate Stresses
DBRS applied its standard interest rate stresses as detailed in its methodology *Interest Rate Stresses for European Structured Finance Transactions* (18 December 2017).

Loan Modifications
As per the servicing agreement, the servicer is allowed to modify loans within the portfolio aside from the good servicing practices defined by the Bank of Spain. These modifications can be made without the Management Company's consent and are subject to the following concentrations:

1. Five per cent of the portfolio's initial balance may have the maturity date extended up until November 2052.
2. The weighted-average interest rate of the portfolio may not be renegotiated below 7.50%.
3. Five per cent of the portfolio's initial balance may change from a fixed interest rate to a floating interest rate.

DBRS has stressed 5% of the portfolio by extending the maturity date to the maximum date and considering a weighted-average interest rate of the portfolio of 7.50% after one year.

Timing of Defaults
DBRS estimated the default timing patterns and created base, front- and back-loaded default curves. The weighted-average life of the collateral portfolio is expected to be about two years, and the front-loaded, middle and back-loaded default distributions are listed below.

Period	Front Loaded Losses	Middle Losses	Back Loaded Losses
1	50.00%	25.00%	20.00%
2	30.00%	50.00%	30.00%
3	20.00%	25.00%	50.00%

Risk Sensitivity
DBRS expects a lifetime base-case probability of default and loss given default for each rated pool based on a review of historical data. Adverse changes to asset performance may cause stresses to base-case assumptions and therefore have a negative effect on credit ratings. The tables below illustrate the sensitivity of the rating to various changes in the base-case default rates and loss severity assumptions relative to the base-case assumptions used by DBRS in assigning the rating.

Class A

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	AA (Low)	A	BBB (High)
	25	A	BBB (High)	BBB
	50	BBB (High)	BBB	BB (High)

Class B

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	BB (High)	BB (High)	BB
	25	BB (High)	BB (Low)	B (High)
	50	BB	B (High)	B

Appendix

Origination and Underwriting

Origination and Sourcing

CaixaBank offers the standard loan products that are common in the Spanish market. Loans are sourced through several channels, the branch network and electronic channels (i.e., mobile channels, online and ATMs).

Variable and fixed rates are available as well as monthly, quarterly and semi-annual payment options although monthly is the most common and represents the vast majority of all loans within each bank's portfolio.

Underwriting Process

While the origination process and loan approval is generally performed at the branch level, applications are submitted electronically to CaixaBank's headquarters in Barcelona and reviewed by the credit department. In any case, CaixaBank's analytical approach is primarily based on the borrower's repayment capacity rather than the nature of the securities pledged. The review includes an analysis of financial statements, historical analysis of the debtor's exposure to CaixaBank and the wider Spanish banking system, property valuations, full income verification, tax returns. For customers requesting a Click and Go loan, the verification of income is assessed through the bank account credit and performance.

CaixaBank uses an internally developed credit scoring model for all loans, which is Internal ratings-basecompliant and authorised by Spanish regulators. The system determines the probabilities of default which are then mapped to a classification system. The bank's automatic approval rate for the best cases and itsmonthly rejection rate is consistent with the overall market. An internal rating model is also used for small businesses and corporates.

All models and scoring systems are validated by CaixaBank's internal validation department as well as by the bank's internal audit department. The majority of models have been approved by the central bank and are subject to on-going supervision. Models to be reviewed are selected annually by the validation department and are triggered by changes in economic cycle, policy changes and/or the model's age regardless of the predictive capacity of the model. Credit risk parameters are reviewed and must be validated internally and by the Bank of Spain.

Approval authority is based on the level assigned to the various approving bodies from branch level through to senior management, executive committees and the board. The approval limits also take into account the borrower type (SME, corporates, and individuals), client and loan risk profile (including expected loss) as well as the total exposure to an economic group. Loans and facilities which can be reviewed by the respective business units require dual sign-off. For larger and/or riskier positions, dual approval still applies with credit risk providing the secondary approval.

All Click and Go requests are reviewed by the system and the maximum pre-approval limit for individuals through the branch is EUR60,000.

Summary strengths

- No external sourcing channels for new originations.
- Largest domestic presence with high market share in terms of deposits and loans.

Servicing

The operational loan management department, centralised in Barcelona, is responsible for all loan management and servicing activities. Primary borrower contact is managed at the branch level including early arrears management activities.

As part of the operational assessment, DBRS reviewed the bank's systems relating to origination and servicing and believes them to be sufficient to meet CaixaBank's operational needs.

Like most Spanish banks, payments are primarily made through direct debit in the current account, although direct payment at the branch is possible. Most of the loans are on monthly payment schedules which is in line with the overall Spanish market. Quarterly and semi-annual payment options are also available although monthly is the most common.

The bank follows standard collections and arrears management strategies including compliance with regulatory guidelines surrounding delinquency, watch list and default definitions. Borrower contact is managed through the local branch. Automated, standard letters are generated through the servicing system and sent to the borrower around day 15 and day 30. The bank's internal rating system is used to monitor the loan including updates to the rating, and it helps to set the appropriate workout strategy. Legal proceedings are initiated generally after a loan is officially classified as a default and all previous attempts at an out-of-court resolution have been exhausted.

Timelines and recovery rates are consistent with CaixaBank's peers.

Summary strengths

- Standard Spanish servicing practices.

Opinion on Back-up Servicer

There is not a backup servicer at closing of the current CaixaBank securitisation. DBRS believes that CaixaBank's current financial condition mitigates the risk of a possible disruption in servicing following a servicer event of default including insolvency. In addition, CaixaBank Titulización acts as the back-up servicer facilitator.

Methodologies Applied

The principal methodology applicable to assigning ratings to the above referenced transaction is *Rating European Consumer and Commercial Asset-Backed Securitisations* (18 December 2017).

Other methodologies referenced in this transaction are listed below:

- *Legal Criteria for European Structured Finance Transactions* (28 September 2017)
- *Derivative Criteria for European Structured Finance Transactions* (28 September 2017)
- *Operational Risk Assessment for European Structured Finance Servicers* (12 October 2017)
- *Operational Risk Assessment for European Structured Finance Originators* (12 October 2017)
- *Interest Rate Stresses for European Structured Finance Transactions* (18 December 2017)

The rating methodologies and criteria used in the analysis of this transaction can be found at: http://www.dbrs.com/about/methodologies. Alternatively, please contact info@dbrs.com.

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/319564/rating-sovereign-governments.pdf.

Surveillance

The transaction is monitored by DBRS in accordance with its *Master European Structured Finance Surveillance Methodology*, which is available at www.dbrs.com under Methodologies. Alternatively, please contact info@dbrs.com.

Notes:
All figures are euros unless otherwise noted.