

Creditreform Covered Bond Rating

Banco de Sabadell

Mortgage Covered Bond Program



Rating Object

Country Issuer	Spain	Repayment method	Hard Bullet
Cover pool asset class	Mortgage	Overcollateralization	Min (25,00%)
Legal framework	Spanish Mortgage Market Law		Current (91,73%)
Nominal value	EUR 22.283,85 m.		Committed (25,00%)
Cover pool value	EUR 42.724,65 m.	Covered bonds coupon type	Fix (43,98%)
WAL maturity covered bonds	2,48 (Years)		Floating (56,02%)
WAL maturity cover pool	7,02 (Years)		Other (0,00%)
Cut-off date Covered Pool Information:	31.03.2020		

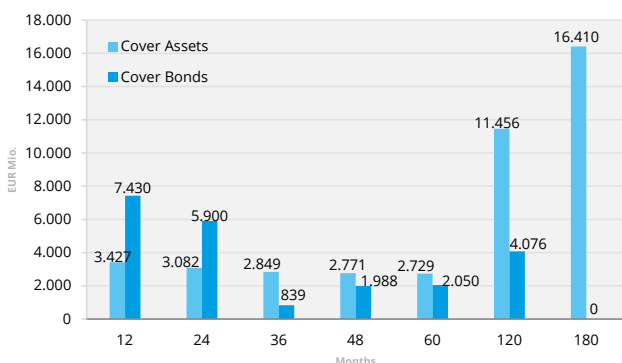
Rating Overview

Rating Summary		Credit Risk Metrics	
Issuer	Banco de Sabadell	Metrics date	27.01.2020
LT Issuer Rating	BBB	Rating Case Default Rate	19,27%
ST Issuer Rating	L3	Rating Case Recovery Rate	77,89%
+Legal and regulatory framework analysis	+4 Notches	Expected Loss	4,26%
+Liquidity and refinancing risk	+1 Notch	Rating Case Breakeven OC	22,29%
= Rating after 1st uplift	AA-	Program Key Counterparties	
Cover Pool & cash flow analysis	BB+	Servicer	NA
+ 2nd rating uplift	+/-0	Account Bank	NA
Rating covered bond program / Outlook	AA- "Watch Negative"	Sponsor	NA

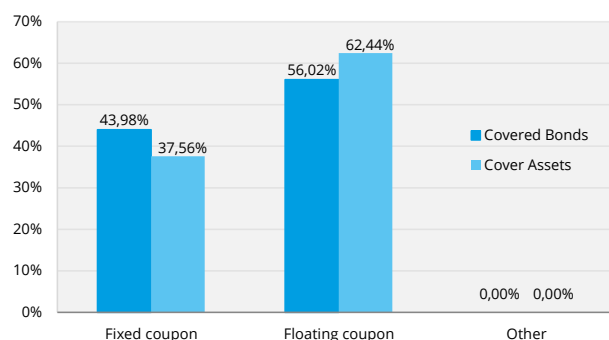
Cover Assets Composition

General Information		Property Type	
Cover Pool Balance	EUR 42.724,65 m.	Residential	EUR 29.048,23 m.
Average Seasoning	NA	Commercial	EUR 13.676,42 m.
Total number of exposures	445.178	Other	EUR 0,00 m.
Distribution by type of asset		Distribution by Loan size	
Mortgages	EUR 42.724,65 m.	Number of Commercial Loans	70.012
Public Sector	EUR 0,00 m.	Number of Residential Loans	375.166
Shipping	EUR 0,00 m.	Average Size Commercial Loans (000s)	195
Substitute Assets	EUR 0,00 m.	Average Size Residential Loans (000s)	77
Other	EUR 0,00 m.		

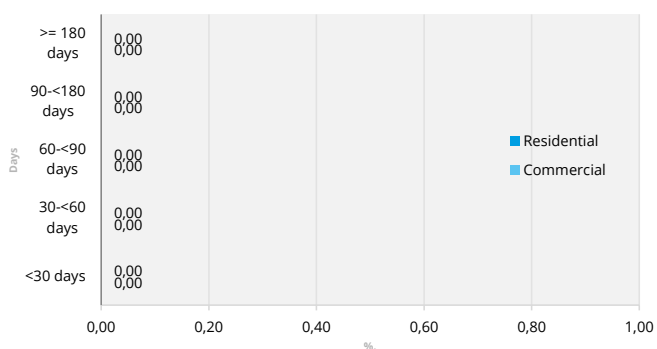
Asset-liability Profile



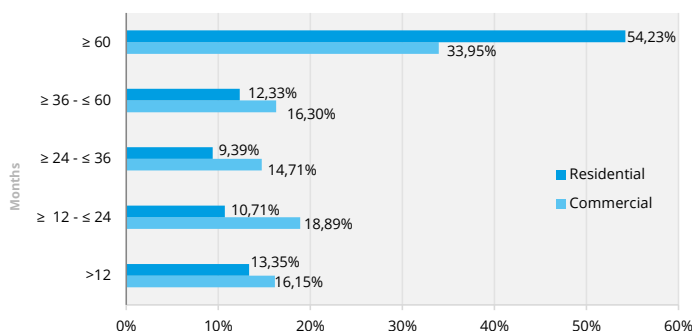
Interest Rate



Arrears Distribution



Seasoning Distribution



Creditreform Covered Bond Rating

Banco de Sabadell

Mortgage Covered Bond Program

Creditreform
Rating

Unindexed LTV Distribution Commercial Loans			Unindexed LTV Distribution Residential Loans		
LTV	Nominal	% Loans	LTV	Nominal	% Loans
>0 - <=40 %	5.159,33	37,72%	>0 - <=40 %	6.467,75	22,27%
>40 - <=50 %	2.141,18	15,66%	>40 - <=50 %	3.675,17	12,65%
>50 - <=60 %	1.988,32	14,54%	>50 - <=60 %	4.223,57	14,54%
>60 - <=70 %	1.370,78	10,02%	>60 - <=70 %	4.578,03	15,76%
>70 - <=80 %	780,28	5,71%	>70 - <=80 %	4.361,37	15,01%
>80 - <=90 %	445,04	3,25%	>80 - <=90 %	2.191,19	7,54%
>90 - <=100 %	442,73	3,24%	>90 - <=100 %	1.063,40	3,66%
>100%	1.348,76	9,86%	>100%	2.487,76	8,56%

Currency Distribution			Loan Distribution by Regions (as % of total Mortgages)		
Currency	Covered Bonds	Cover Assets	Region	% Residential Loans	% Commercial Loans
EUR	22.283,85 m.	42.659,87 m.	Andalusia	9,91%	10,19%
AUD	0,00 m.	0,00 m.	Aragon	1,16%	1,71%
BRL	0,00 m.	0,00 m.	Asturias	2,93%	3,09%
CAD	0,00 m.	0,00 m.	Balearic Islands	4,40%	6,27%
CHF	0,00 m.	11,48 m.	Basque Country	2,87%	2,76%
CZK	0,00 m.	0,00 m.	Canary Islands	1,53%	2,24%
DKK	0,00 m.	0,00 m.	Cantabria	0,33%	0,37%
GBP	0,00 m.	0,05 m.	Castile La Mancha	1,15%	0,98%
HKD	0,00 m.	0,00 m.	Castile León	1,67%	1,62%
JPY	0,00 m.	17,91 m.	Catalonia	36,70%	36,01%
KRW	0,00 m.	0,00 m.	Ceuta	0,05%	0,04%
NOK	0,00 m.	0,00 m.	Extremadura	0,33%	0,21%
PLN	0,00 m.	0,00 m.	Galicia	1,83%	2,48%
SEK	0,00 m.	0,00 m.	La Rioja	0,17%	0,34%
SGD	0,00 m.	0,00 m.	Madrid	11,00%	18,74%
USD	0,00 m.	35,35 m.	Melilla	0,09%	0,01%
Other	0,00 m.	0,00 m.	Murcia	5,53%	2,51%
			Navarra	0,35%	0,73%
			Valencia	18,00%	9,71%

Swap Counterparties

Name	Type of arrangement	LEI
NA	NA	NA

Swap Agreements

Interest Rate Swap	NA
Currency Swap	NA

ISIN Lists

Issuer	ISIN	Coupon Type	Coupon Rate (%)	Issue date	Maturity date
Banco de Sabadell	ES0413860364	Floating	EIEUR3M + 0.7	26.09.2014	26.09.2022
Banco de Sabadell	ES0413860489	Floating	EIEUR1Y + 0.05	20.07.2015	20.07.2020
Banco de Sabadell	ES0413860588	Fix	0,97	29.12.2016	27.12.2024
Banco de Sabadell	ES0413860695	Floating	EIEUR1Y + 0.13	30.01.2019	31.01.2022
Banco de Sabadell	ES0413860257	Floating	EIEUR3M + 2.6	13.07.2011	13.07.2021
Banco de Sabadell	ES0413860406	Floating	EIEUR3M + 0.40	05.12.2014	05.12.2022
Banco de Sabadell	ES0413860521	Floating	EIEUR3M + 0.80	26.01.2016	26.01.2024
Banco de Sabadell	ES0413860646	Fix	1,09	21.12.2018	21.12.2026
Banco de Sabadell	ES0413860729	Floating	NULL	20.12.2019	20.12.2024
Banco de Sabadell	ES0413860315	Floating	EIEUR3M + 4.15	28.12.2012	28.12.2020
Banco de Sabadell	ES0413860463	Floating	EIEUR1Y + 0.05	18.06.2015	18.06.2020
Banco de Sabadell	ES0413860554	Fix	0,13	20.10.2016	20.10.2023
Banco de Sabadell	ES0414400087	Fix	4,60	27.04.2010	31.07.2020
Banco de Sabadell	ES0413860141	Floating	EIEUR3M + 1	08.05.2009	10.05.2021
Banco de Sabadell	ES0413860372	Floating	EIEUR3M + 0.68	03.10.2014	03.10.2023
Banco de Sabadell	ES0413860497	Floating	EIEUR1Y + 0.07	16.09.2015	16.09.2020
Banco de Sabadell	ES0413860596	Fix	1,00	26.04.2017	26.04.2027
Banco de Sabadell	ES0413860265	Floating	EIEUR3M + 3.10	12.12.2011	13.12.2021
Banco de Sabadell	ES0413860448	Floating	EIEUR3M + 0.13	04.05.2015	04.05.2023
Banco de Sabadell	ES0413860539	Floating	EIEUR3M + 0.535	24.05.2016	24.05.2024
Banco de Sabadell	ES0413860653	Floating	EIEUR1Y + 0.085	18.12.2018	18.06.2021
Banco de Sabadell	ES0413860737	Floating	NULL	20.12.2019	22.12.2025
Banco de Sabadell	ES0413860356	Floating	EIEUR3M + 1.60	09.12.2013	09.12.2021
Banco de Sabadell	ES0413860471	Floating	EIEUR3M + 0.2	03.07.2015	03.07.2023
Banco de Sabadell	ES0413860570	Floating	EIEUR1Y + 0.27	21.12.2016	21.12.2021
Banco de Sabadell	ES0413860687	Floating	ROUND(EIEUR1Y + 0.086, 0.001)	18.12.2018	19.07.2021
Banco de Sabadell	ES0413860216	Floating	EIEUR3M + 2.35	10.12.2010	10.12.2020
Banco de Sabadell	ES0413860398	Fix	0,88	12.11.2014	12.11.2021
Banco de Sabadell	ES0413860505	Fix	0,63	03.11.2015	03.11.2020
Banco de Sabadell	ES0413860604	Fix	0,89	21.07.2017	21.07.2025
Banco de Sabadell	ES0413860307	Floating	EIEUR3M + 4.80	05.10.2012	05.10.2022
Banco de Sabadell	ES0413860455	Fix	0,38	10.06.2015	10.06.2020
Banco de Sabadell	ES0413860547	Fix	0,63	10.06.2016	10.06.2024
Banco de Sabadell	ES0413860661	Floating	NULL	18.12.2018	18.09.2020
Banco de Sabadell	ES0413860745	Fix	0,13	20.01.2020	10.02.2028

Data Definitions

The data is presented with a cut-off date. Following the clarification regarding the source of information:

Issuer: Issuer source of information are all available public information, i.e. Investor Reports, Harmonised Transparency Templates "HTT", National Transparency Templates "NTT", Prospectus etc. Not reported or non available information will be labeled as "NA".

Field Name	Source	Definition
Cover pool asset class	Issuer	The asset type in the cover pool (public sector assets or mortgage assets)
Legal framework	CRA	The set of legislative and regulatory rules of the respective jurisdiction that regulates the covered bonds (CB) program
Nominal value	Issuer	The total amount of outstanding covered bonds as of cut-off date expressed in millions
Cover pool value	Issuer	Aggregate value of all assets in the cover pool as of cut-off date expressed in millions
WAL maturity covered bonds	Issuer	The weighted average remaining maturity of all outstanding covered bonds in years
WAL maturity cover pool	Issuer	The weighted average remaining maturity of all outstanding covered assets in years
Repayment method	Issuer	Hard Bullet: Covered bonds are repaid on the maturity date which cannot be extended Soft Bullet: The maturity date of the covered bonds can be extended by a fixed period Conditional pass-through (CPT): Covered bonds with a scheduled maturity date, and an extension mechanism defined by certain conditions
Overcollateralization	Issuer	Current OC: The proportion of cover assets that exceeds the proportion of currently outstanding covered bonds, calculated as $(\text{Cover pool value} / \text{outstanding covered bonds} - 1) * 100$ Min OC: The OC level that the issuer must maintain according to the respective CB legislation Committed OC: The minimum OC level that the issuer has committed to maintain
Covered bonds coupon type	Issuer	Type of interest rate paid on covered bonds, expressed as a percentage of bond's face value
LT Issuer Rating	CRA	Long-term ratings assess the default risks for each category of a bank's financial instruments with a residual term-to-maturity of more than one year
ST Issuer Rating	CRA	Short-term ratings assess the default risks for each category of a bank's financial instruments with a residual term-to-maturity of less than one year
Legal and regulatory framework analysis	CRA	A qualitative assessment of legislative and regulatory rules of the covered bonds program
Liquidity and refinancing risk	CRA	A qualitative assessment of regulatory requirements for liquidity and refinancing risk of the covered bonds program
First rating uplift	CRA	The rating after adding up the notches from Legal and regulatory framework analysis and Liquidity and refinancing risk with LT Issuer rating
Cover pool and cash flow analysis	CRA	The quantitative assessment of the cover assets and covered bonds at different rating-level stressed scenarios
Second rating uplift	CRA	The rating after adding up the notches from cash-flow analysis with 1st rating uplift (only effective if the rating from cash-flow analysis is higher than the 1st rating uplift)
Metrics date	CRA	The date on which CRA assigned the initial / follow-up rating of the covered bond program
Rating Case Default Rate (RDR)	CRA	Stressed default rate of the cover assets represented by the base case stressed scenario
Rating Case Recovery Rate (RRR)	CRA	Stressed recovery rate of the defaulted assets represented by the base case stressed scenario
Expected Loss	CRA	Stressed loss rate of the cover assets represented by the base case stressed scenario. The expected loss rate has been calculated as $[\text{RDR} * (1 - \text{RRR})]$ [%]
Rating Case Breakeven OC	CRA	The required stressed OC level compatible with the base case rating
Average Seasoning	Issuer	Average length of the loans from the origination date to the cut-off date in months
Loan Size	Issuer	Average size of the loans (i.e. Total value of cover assets / Number of loans)
LTV	Issuer	The loan-to-value (LTV) is the ratio of a loan to the value of the property securing the loan
LEI	CRA	Legal Entity Identifier (LEI) enables unique identification of legal entities in financial transactions
Arrears Distribution	Issuer	The distribution of arrears of the cover assets with respect to each asset class
Seasoning Distribution	Issuer	The distribution of seasoning of the cover assets with respect to each asset class
Asset liability Profile	CRA	The maturity structure of the cover assets and liabilities
% Residential Loans	Issuer	Outstanding value of loans that are secured by the residential property expressed as % of total outstanding loans in the cover pool
% Commercial Loans	Issuer	Outstanding value of loans that are secured by the commercial property expressed as % of total outstanding loans in the cover pool
Fixed Coupon	Issuer	All assets and liabilities in the covered bond program that yield a fixed interest rate
Floating Coupon	Issuer	All assets and liabilities in the covered bond program that have variable interest rates
EIEURxM	Reuters	Euro x Month EURIBOR
EURSWEXY	Reuters	Euro x Year Interest Rate Swap Fixing

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