Rating Report

FT RMBS Prado VI

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DBRS

Insight beyond the rating.

Ratings and Issuer's Assets and Liabilities

Debt	Amount (EUR)	Size 1	Initial Subordination 2	Initial Coupon	Step-Up Coupon 3	Rating	Rating Action
Class A	351,000,000	82.0%	18.0%	3m Euribor + 0.43%	3m Euribor + 0.86%	AAA (sf)	Provisional Rating - Finalised
Class B	42,800,000	10.0%	8.0%	3m Euribor + 0.60%	3m Euribor + 1.20%	BBB (high) (sf)	Provisional Rating - Finalised
Class C	34,200,000	8.0%	0.0%	3m Euribor + 0.75%	3m Euribor + 1.50%	Not Rated	N/A

Notes:
1 Expected size at issue date.
2 Credit enhancement is provided by subordination and is expressed in terms of portfolio size. It does not include the reserve fund.
3 Following the step-up date, the margin above three-month Euribor payable on the notes will increase.

	Initial Amount (EUR)	Size
Asset Portfolio (2 July 2018) 4	428,000,349	100.0%
Reserve Fund 5	9,630,000	2.25%

4 The asset portfolio will equal the initial balance of the Notes issued at the closing date.
5 The Reserve Fund will be funded to 2.25% of the initial note size through a Subordinated Loan at closing.

DBRS Ratings Limited (DBRS) has finalised the provisional rating of AAA (sf) and BBB (high) (sf) on the Class A and the Class B notes (the Rated Notes) issued by FT RMBS Prado VI (the Issuer or Fund). The Class C notes are not rated by DBRS. The rating on the Class A notes addresses the timely payment of interest and ultimate payment of principal on or before the legal final maturity date. The rating on the Class B notes addresses the ultimate payment of interest and principal on or before the legal final maturity date. Credit enhancement is provided in the form of subordination and reserve fund. The transaction also benefits from an amortising Reserve Fund that provides liquidity support to the Rated Notes.

The mortgage loans were originated by Unión de Créditos Inmobiliarios, S.A. E.F.C. (UCI or the company). Proceeds from the issuance of the Class A, Class B and Class C notes (the Notes) are used to purchase a portfolio of first-lien mortgages secured over residential properties located in Spain.

Final Portfolio Summary (as of 2 July 2018)

Final Portfolio Balance (EUR)	428,000,349	**Asset Class**	RMBS
Average Balance per Borrower (EUR)	137,488	**Governing Jurisdiction**	Kingdom of Spain
Weighted-Average Seasoning	69.2 months	**Sovereign Rating**	A; Stable trend
Weighted-Average Current Combined LTV	67.9%		

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Transaction Parties and Relevant Dates

Transaction Parties

Roles	Counterparty	Rating
Issuer	FT RMBS Prado VI	NR
Originator, Seller, Servicer	Unión de Créditos Inmobiliarios (UCI)	A (low) – Stable / R-1 (low) – Stable
Retention holder and Subordinated Loan provider	Unión de Créditos Inmobiliarios (UCI)	A (low) – Stable / R-1 (low) – Stable
Treasury Account Bank	Banco Santander S.A.	A (high) – Stable / R-1 (middle) – Stable Critical Obligation Rating (COR): AA (low) – Stable / R-1 (middle) – Stable
Paying Agent	BNP Paribas, Securities Services, Spanish Branch	Private Rating
Joint Lead Manager, Joint Lead Arranger and Back-Up Servicer Facilitator	Banco Santander S.A.	A (high) – Stable / R-1 (middle) – Stable COR: AA (low) – Stable / R-1 (middle) – Stable
Swap Counterparty	Banco Santander S.A.	A (high) – Stable / R-1 (middle) – Stable COR: AA (low) – Stable / R-1 (middle) – Stable
Joint Lead Manager and Joint Lead Arranger	BNP Paribas, London Branch	Private Rating
Management Company	Santander de Titulización, S.G.F.T., S.A.	NA

Relevant Dates

Issue Date	12 July 2018
Step-Up Date	14 September 2023
Optional Redemption Date	Any date from the Step-Up Date
First Payment Date	14 December 2018
Payment Dates	Quarterly on the 14th of March, June, September, December
Collection Period	Each calendar month
Final Maturity Date	14 March 2052
Legal Final Maturity Date	14 March 2055

Rating Considerations

- Improved Macroeconomic Conditions: Spain continues to grow strongly and once again in 2017 outperformed the euro area average. Spain's real gross domestic product (GDP) increased by 3.1% and full-time equivalent employment expanded by 2.8%. Underpinned by extremely favourable financing conditions, substantial employment gains and higher confidence levels, the recovery of domestic demand has led to a more balanced growth pattern compared with in the aftermath of the crisis. The economic impact of the political instability in Catalonia has been moderate, confined to the regional economy, and largely offset by stronger external demand. Upside surprises to growth among Spain's trading partners provided an additional boost to Spanish exports, spurring manufacturing production and investment decisions. Given that these favourable conditions largely remain in place, DBRS anticipates another year of strong GDP growth at 2.7% in 2018. Stronger-than-expected external demand and fiscal impulse pose upside risks to this forecast.
- Property values showed moderate signs of improvement during 2015 and 2016. Home prices reached a trough on a national level at the beginning of 2014, according to the Instituto Nacional de Estadística (the INE). Peak-to-trough declines were -37.3% on the national level. Regional declines ranged between -29.7% in Andalusia and -47.3% in Navarre. Through Q4 2016, national home prices increased 7.9% since bottoming out at the beginning of 2014, according to the INE. The highest increase in house prices from Q1 2014 to Q3 2017 were experienced in Madrid (26.1%) and Catalonia (23.8%).

Strengths

- **Seasoning:** The mortgage portfolio has a weighted-average (WA) seasoning of 69.2 months.
- **Loan Purpose:** All the loans in the pool are granted to individuals with the purpose of financing the acquisition of completed homes which are primary residences in Spain. None of the loans in the pool are granted for the purpose of renovation or construction of a new house and there are no loans to real estate developers.
- **No Interest Rate floor:** The loans in the pool are not subject to interest rate floors (*cláusula suelo*).
- **Diversified Portfolio:** The pool comprises 3,113 loans granted to 3,113 borrowers and co-borrowers. The loans are concentrated in the three largest autonomous regions of Spain: Madrid (28.7% of the pool by outstanding balance), Catalonia (27.3%) and Andalusia (19.9%).
- **Sequential Amortisation:** The Class B notes will amortise once the Class A notes have been repaid in full. The Class C notes will amortise once the Class B notes have been repaid in full. Additionally, the interest on the Class B notes can be deferred if a Class B interest deferral event occurs in which case the Class A notes' principal payment will be senior to the Class B interest payments in the waterfall. Principal amortisation includes a provision mechanism for defaults (loans more than 12 months in arrears) through the trapping of excess spread in the transaction waterfall. If a turbo amortisation event occurs, then after payment of senior fees, net swap payments, Class A interest, Class B interest (if a Class B interest deferral event has not happened) and replenishment of the Reserve Fund to the target level, all remaining available funds will be used to amortise the Class A notes.
- **Amortising Reserve Fund:** The Reserve Fund provides liquidity support to the Rated Notes. The initial balance of the Reserve Fund will be equal to 2.25% of the initial principal balance of the assets. The Reserve Fund can amortise to 2.25% of the outstanding balance of the assets with a floor at 1.0% of the initial principal balance of the assets.

Challenges and Mitigating Factors

- **Historical Performance of UCI:** The historical performance of UCI mortgage loans has been relatively weak compared to other Spanish lenders. Cumulative arrears greater than three months reached 36.2% for the 2006 vintages and 38.2% for the 2007 vintages. More recent vintages (from 2009 onward) have improved as a result of tighter underwriting guidelines and lower origination volumes.
  Mitigants: Loans in Prado VI have performed well with no borrowers entering into arrears since November 2014. As of the final pool cut-off date, none of the loans from the mortgage pool are in arrears. In addition, the portfolio concentration for UCI's worst performance vintages (2005 to 2008) represents 32.3% of the portfolio (all having gone through the crisis without incidents and benefits from high seasoning). Approximately 64.1% of the portfolio's balance was originated between 2009 and 2018. The remaining proportion was originated in 2004 or earlier.
- **Restructured Loans and Loans in Arrears :** Loans that have been restructured represent 6.7% of the pool, and 3.1% of the portfolio has been in arrears in the past. No loans have been restructured in the last 36 months. No borrowers have gone into arrears since November 2014. In addition, none of the loans that went into arrears in the past had more than four unpaid instalments.
  Mitigants: DBRS has assessed the historical performance of the mortgage loans and factored restructuring arrangements into its default analysis. Refer to the Collateral Analysis section for further details.

- **Current Loan-to-Value (CLTV):** The WA CLTV of the portfolio is 67.9% with 35.1% of the loans in the portfolio (by balance) having a CLTV greater than 80.0%. The indexed CLTV is 78.5% with 55.0% of the loans having an indexed CLTV greater than 80.0%. This is in line with the average of other Spanish RMBS.

  Mitigants: Property values are indexed using the INE house price index (Q4 2015) consistent with DBRS's European RMBS Insight Model.

- **Foreign Borrowers[1]:** Foreign borrowers with residence in Spain represent 6.9% of the portfolio. The remaining borrowers are Spanish. All borrowers are resident in Spain.

  Mitigants: Each loan in the portfolio was scored using the European RMBS Insight Model with parameters measuring the risk of each loan.

- **Borrowers Not Employed[2]:** Self-employed borrowers represent 6.3% of the portfolio, 1.4% of the portfolio are classified as pensioners and 2.8% are unemployed. The remainder are employed borrowers (including civil servants that represent 12.4% of the portfolio).

  Mitigants: To score the loans under its European RMBS Insight Model, DBRS treats this 10.5% of the portfolio as unemployed borrowers.

- **CPI Instalment Loans:** Approximately 3.8% of the portfolio loans are Consumer Price Index (CPI) instalment loans by default and 19.5% of the portfolio has the option to exercise a CPI instalment loan in the future. This option allows the borrower to limit the annual growth of the instalments should interest rates rise to a maximum amount equal to 200% or 100% of the CPI based on the reset rate (six or 12 months, respectively). The effect of this limitation means a lower repayment of the loan for the amount limited in each instalment. This option is only applicable in a positive CPI environment (i.e., instalments cannot decrease).

  Mitigants: Since 2007, the exercise rate of these loans has been, on average, 0.72%. Moreover, in 2015, the instalment limitation option was only applied to less than 2.5% of obligors of the entire UCI portfolio while in 2016, 2017 and 2018 this option was never applied. As of 2028, none of the mortgage loans will have the option to limit instalments based on CPI.

- **Bridge Loans:** 21.1% of the portfolio are unreleased bridge Loans which are granted to borrowers purchasing a new home before they had completed the sale on their current residence. 6.1% of the portfolio was previously a bridge loans but currently the second property has been sold.

  ***Mitigants*: Unrealesed** bridge loans are secured by more than one properties, have a weighted-average original LTV of 67.2% and a weighted-average current LTV of 57.7%. The weighted-average seasoning of these loans is 9.2 years well-above the weighted-average seasoning of the portfolio at 5.8 years. All the claims against the multiple properties are first liens. Additionally, the loan balance considered for calculating the loan-to-income ratio is the full balance of the bridge loan, stressed accordingly in the European RMBS Insight Model.

- **Permitted Variations:** The servicer is able to renegotiate terms of the loans with borrowers subject to certain conditions being met. The margin on the reference index may not be renegotiated below 0.75% if the reference rate used is Euribor, or below a negative -0.25% if the reference rate used is the Mortgage Loan Benchmark Index (*Índice de Referencia de Préstamos Hipotecarios* or IRPH). The maturity date on the loan may be extended, provided that the new maturity date of the loan is at least three years before the Legal Maturity Date of the Fund. The floating-rate loans can be renegotiated to fixed-rate loans up to a maximum of 5.0% of the initial balance of the portfolio. These powers of renegotiation are limited to 15% of the initial balance of the portfolio.

  Mitigants: DBRS assessed these optionalities in its cash flow analysis by extending the maturity of the loans to the longest possible date for 15% of the initial pool balance, changing the interest rate on the loans from floating rate to fixed rate for 5% of the initial pool balance and compressing the spread of the loan margins to the applicable margin in line with the renegotiation criteria for 10% of the initial pool balance.

- **Interest Rate Risk:** The transaction is exposed to interest rate risk as 24.92% of the portfolio comprises fixed-rate loans for life and 17.15% of the portfolio comprises short-term fixed-rate loans. The remainder of the pool comprises floating-rate loans linked to either 12-month Euribor (34.77%) or IRPH (23.16%). The Rated Notes are linked to three-month Euribor.

  Mitigants: (1) To mitigate the interest rate mismatch between the fixed for life and short-term fixed-rate loans and the three-month Euribor to be paid to Noteholders, the Issuer has entered into an interest rate swap with Santander. The Issuer will pay 1.1% on a notional balance equal to the outstanding balance of performing fixed-rate loans and will receive three-month Euribor in return. (2) Cash flows have been stressed in accordance with the DBRS's *Interest Rate Stresses for European Structured Finance Transactions Methodology*. The spread between the IRPH and 12-month Euribor has been stressed based on the observed historical spread. (3) In addition, there are structural mitigants in place such as the liquidity reserve and an interest deferral trigger on the Class B notes to support timely payments of interest on the Class A notes.

1. These figures are calculated considering the nationality of the borrower that contributes most in terms of income.
2. These figures are calculated considering the employment status of the first borrower.

Origination and Servicing

DBRS conducted an operational review of Unión de Créditos Inmobiliarios's (UCI or the company) residential mortgage operations in April 2018 in Madrid, Spain. DBRS considers the origination and servicing practices of UCI to be consistent with those observed across the Spanish mortgage market.

UCI was established in 1989 and is jointly owned by Banco Santander and BNP Paribas which have owned the company equally since its inception. The company has lending operations in Portugal and Greece and has been active in those markets since 1999 and 2004 respectively although there has been no lending in the Greek operation since 2011. In 1998, UCI created a real estate franchise, Comprar Casa, in commercial partnership with the Spanish Association of Real Estate Agents.

UCI is a frequent issuer of RMBS transactions and has issued 23 deals with contribution loans representing around half of UCI's total loan portfolio of approximately EUR 17 billion as of the end-December 2017. Approximately 88% of UCI's loan portfolio was in Spain and 99% classified as retail mortgage loans with personal loans comprising the remaining 1%. The company's Portuguese operation represents around 10% of UCI's business.

DBRS's long-term and short-term issuer rating on UCI are currently A (low) and R-1 (low) respectively, both with a Stable trend. For more information on UCI please see the agency's website at www.dbrs.com.

Origination & Underwriting

Origination and Sourcing

UCI's mortgage business is heavily focused on brokers and real estate agents who are responsible for approximately 70% of all new originations which is down from 90% reported in 2011. The remaining business is sourced directly through UCI's web portal Hipotecas.com (25%) and from other sources primarily existing mortgage customers (5%). While UCI offered loans through real estate developers in the past, such activity ceased in 2009 and the developed sourced loans represent less than 1% of UCI's total mortgage portfolio. While intermediaries are paid commission by UCI, the commission is performance based taking into account future loan performance and paid out over a three-year period.

New lending activity in Spain increased by 44.2% to EUR 538 million from 2016 to 2017. New lending activity in Portugal increased by 29.7% to EUR 153 million over the same period. The lending activity maintained UCI's market share at just over 1%. The products, rate and payment types offered are consistent with the wider Spanish and Portuguese markets although underwriting criteria was significantly tightened as a result of the economic crisis.

Underwriting

Underwriting is performed centrally in Madrid. Account managers are responsible for managing a portfolio of brokers and agents who are geographically based. UCI had 24 branches across Spain as of December 2017 which is down from 35 at its peak from several years ago.

The real estate agents provide the branch with all the basic information and documentation needed to begin the underwriting process, and the documents are subsequently scanned and fed into the company's proprietary workflow system. Standard income verification procedures are in place including collection of last three pay slips and income statements, and the verification process extends to all guarantors associated with the loan. The company's underwriting models incorporate data from the national and third-party credit bureaux used for both Spanish and foreign nationals.

UCI underwriting guidelines have been tightened since 2008 beginning with a new scoring system in February 2008. Other changes included discontinuing of certain mortgage products including those with initial grace periods, loans to non-residents and unsecured loans. The conditions for obtaining additional personal guarantees were increased and full justification and use of equity is required for second mortgage or equity release loans. Further changes included capping of DTI at 40% and automatic rejection of loans with scores in the highest risk bucket.

All decision-making activities are centralised in UCI's Madrid headquarters and approval limits are set by the credit risk management team based on the experience and competency of the approver. The limits are periodically reviewed and adjusted when deemed necessary. Between 2005 and 2008 approval authority was decentralised and loan approval was possible across the branch network. Once the financial crisis hit in 2008, branch approvals were stopped and all approvals authority was made central again. Prior to 2005 and since 2008 all loans were underwritten and approved centrally in the risk department located in Madrid.

Valuations

Full property valuations are conducted by one of three external appraisal companies authorised by the Bank of Spain. UCI has been working with one of the valuation firms for over 20 years. UCI conducts audits of any valuation with a 15% or more variance between the appraised amounts and the purchase price. A standard valuation form is provided by UCI to the appraisal along with the scope of work which requires valuation reports to include pictures, sales comparable and proof of land registry checks.

Summary Strengths

- Support through shareholders, Santander and BNP Paribas.
- Fairly conservative underwriting criteria.
- Centralised approval process for all loans.

Summary Weaknesses

- Heavy reliance on external sourcing channels representing 70% of new business.

  Mitigants: Limited number of exclusive agreements and network down to approximately 4,000 agents from 14,000 at peak driven by reduced lending and UCI's termination of arrangements with numerous brokers. Increased sourcing from web-based application and expected to continue.

Servicing

All servicing activities including day-to-day loan administration as well as collections and arrears management are centralised at UCI's headquarters in Madrid. Average experience among the servicing staff is consistent with the whole bank at over 10 years. Most general loan administration is automated including rate changes and the majority of loans have monthly payment schedules (with only two payment date options) and pay via direct debit. Until 2012, all UCI mortgage customers were required to have a current account with Santander from which all mortgage payments are drafted.

Arrears and default rates increased steadily since the start of the credit crunch and continued their upward trend. As a result, UCI placed more focus on the management of delinquent loans and has seen arrears levels start to decrease. A new preventive team with seven staff is responsible for conducting welcome calls with borrowers prior to their first payment to address any questions or potential problems regarding the borrower. A 30-strong centralised debt collection team manages loans up to three-months in arrears and telephone contact with the borrower is attempted within the first week of a missed payment. Once an account reaches 90 days in arrears a UCI commercial agent will take over management of the account and assess the customer's situation. Automated letters and SMS messages are generated through the system and UCI complies with Bank of Spain guidelines surrounding defaulted loan management. Average recovery timelines consistent with Spanish peers and have lengthened over the last several years.

Summary Strengths

- Centralised servicing operations in Madrid.
- High ratio of loans paying by direct debit and monthly payment schedules.
- Good collections and arrears management practices and increased attention as a result of rising defaults.

Summary Weaknesses

- Relatively high default rate near 10%.

  Mitigants: The default rate is lower than some peers and generally consistent with the Spanish market. UCI's arrears management practices are somewhat more robust than some Spanish peers although practices generally limited to modification and forbearance schemes.

Opinion on Back-Up Servicer: Banco Santander S.A. (the company or Santander) is the named back-up servicer facilitator on the transaction.

DBRS has rated several Santander transactions and is very familiar with the operations, management experience and existing portfolios it has under management.

Santander's considerable Spanish and European consumer servicing experience and large servicing portfolio as well as its working knowledge of the loans in the transaction are significant mitigating factors.

DBRS believes invocation of the back-up servicing agreement and subsequent servicing transfer would have very limited, if any, impact on Santander's operations. As a result, DBRS believes that Santander is adequately positioned to assume the servicing role from UCI should a transfer event occur.

More information on Santander's ratings can be found at www.dbrs.com.

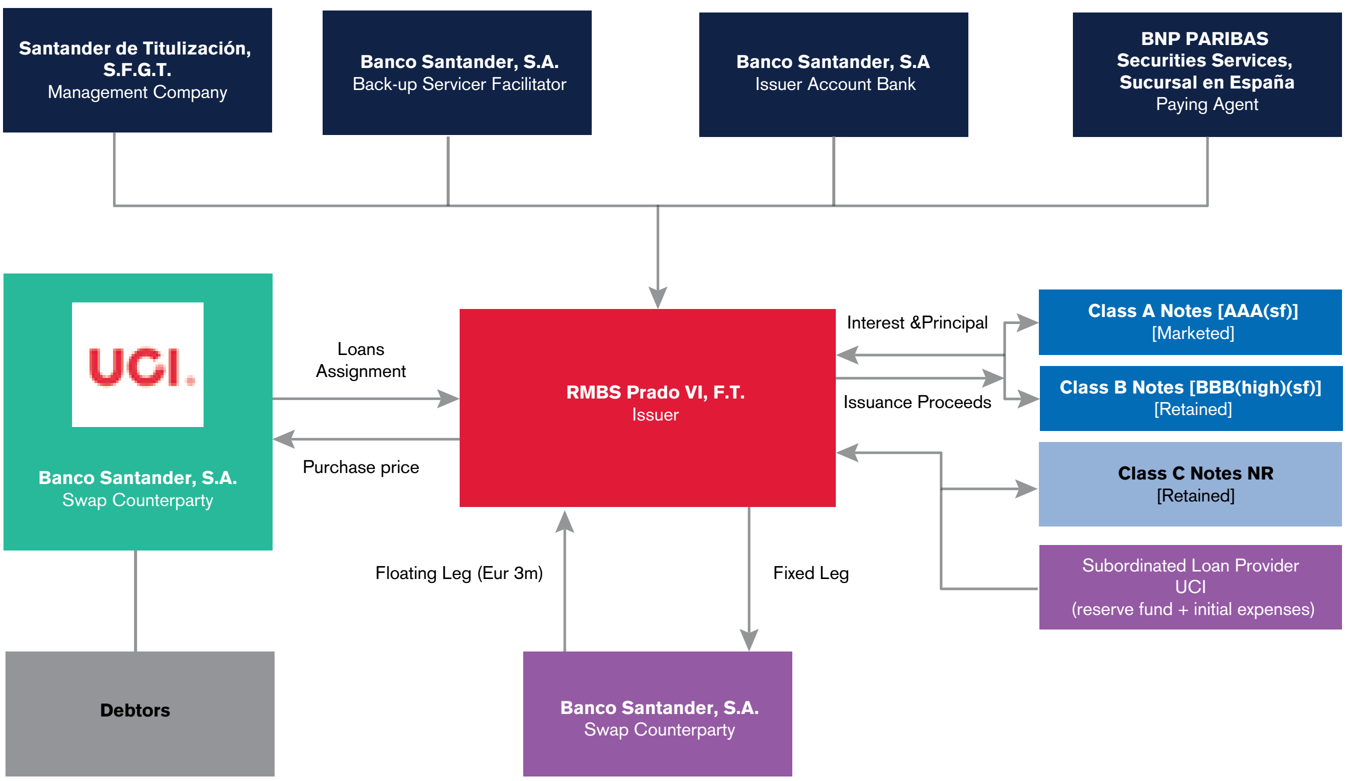
Transaction Structure

Transaction Summary

Currency	Issuer's assets and liabilities are denominated in euros (EUR).	
Relevant Legal Jurisdictions	The Issuer is a securitisation fund incorporated under Spanish securitisation law. Mortgage loans are assigned to the Issuer as a true sale pursuant to Spanish securitisation laws.	
Interest Rate Hedging	Yes	
Basis Risk Hedging	No	
Reserve Fund	Provides liquidity support to the Class A notes and is available to cover senior fees as well as expenses	
	Initial Amount	2.25% of the initial principal balance of the assets
	Target Amount	2.25% of the outstanding balance of the assets
	Floor	1.0% of the initial principal balance of the assets
	Amortisation	Amortisation amounts form part of available funds.
Commingling Reserve	None	

The transaction structure is summarised below in Exhibit 1.

Exhibit 1: Transaction Structure



Counterparty Assessment

Servicing and Commingling

Payments are collected by UCI under a direct debit scheme and deposited in the cash flow account in the name of the Issuer with Banco Santander one day following receipt. In the event of insolvency of the servicer, the Management Company will request the servicer to notify the borrowers of assignment of the loans to the Issuer. Borrowers will be directed to make payments directly to the cash flow account held with Banco Santander.

In case of breach of the servicing contract or insolvency of the servicer, the Management Company will either replace the servicer or require the servicer to subcontract, delegate or be guaranteed the obligations by another suitable entity. In case of replacement of the servicer, the Back-Up Servicer facilitator will assume the responsibility to replace the servicer within 60 days. Commingling risk is mitigated by the direct deposit of collections by UCI to the cash flow account.

Issuer Account Bank

Banco Santander is the Account Bank for the transaction. DBRS publicly rates Banco Santander and concluded that it meets DBRS's minimum criteria to act in such capacity. If the treasury account bank's DBRS rating is downgraded below "A", then within 30 days the Management Company on behalf of the fund would need to (1) find a guarantor with the minimum DBRS rating of "A" who will guarantee unconditionally and irrevocably the obligations of the treasury account agreement or (2) find a replacement.

The downgrade provision is consistent with DBRS's criteria for the rating of AAA (sf) assigned to the Class A notes.

Pursuant to the Guaranteed Reinvestment Agreement, Santander guarantees to the Issuer an annual yield variable quarterly on amounts deposited in the cash flow account in an amount equal to the reference rate of the notes (three-month Euribor) with a minimum rate of 0.0%. The yield of the Cash Flow Account may in no case be negative.

Moreover, the Management Company will enter into a paying agency agreement with BNP Security Services, Spanish Branch on behalf of the fund. The paying agency agreement will have the replacement trigger set at "A". The paying agent is performing the calculation of the amounts due and payable and instructs the account bank to make the payments.

DBRS notes that the transaction documents specifically state that, in case of termination or resignation of the account bank and in case of resignation of the paying agent, the costs associated with the replacement should be borne by the Issuer. As a result, these costs would reduce the funds available to the Issuer to meet its payment obligations under the notes. DBRS does not, however, expect such replacement costs to be significantly high. Moreover, if the Issuer were to incur such costs, they will be ultimately absorbed by the excess spread.

The temporary liquidity surpluses of the Cash Flow Account will be reinvested in Eligible Investments pursuant to the provisions set out in the Guaranteed Reinvestment Agreement. The selected criteria complies with DBRS's Legal Criteria for European Structured Finance Transactions.

Swap Counterparty

The initial portfolio is composed of fixed-rate loans for life (24.92%), short-term fixed-rate loans (17.15%) and floating-rate-loans-for-life (57.93%) indexed to 12-month Euribor (34.77%) or IRPH (23.16%).

The Issuer has entered into an interest rate swap with Banco Santander, S.A. to mitigate the interest rate mismatch between the fixed-rate loans and the three-month Euribor paid on the Notes. The Issuer will pay a fixed-rate of 0.98% on a notional balance linked to the outstanding balance of the performing fixed-rate loans to the swap counterparty and will receive three-month Euribor in return.

Banco Santander S.A., has a public DBRS rating and is an eligible swap counterparty. The transaction documents envisage language consistent with criteria DBRS's *Derivative Criteria for European Structured Finance Transactions* methodology.

Basis Risk

The loans in the portfolio are paying monthly instalments with a WA reset interval of six months, while the Class A, B and C notes will pay a quarterly coupon. Hence, there is some basis risk in the transaction that is not hedged.

Available Funds

The available funds of the Issuer will consist of the following:

- Interest and principal payments corresponding to the mortgage loans.
- The net amounts received from the Swap Counterparty.
- Any other amount derived from the collateral mortgage pool, such as the proceeds received from the sale of foreclosed properties.
- Return obtained on the amounts deposited in the cash flow account.
- Reserve Fund amount.
- Any income received from repayment and early cancellation fees.

Priority of Payments

Pre-Enforcement Priority of Payments

The available funds will be distributed through the following combined waterfall on each payment date:

1. Ordinary and extraordinary expenses and the administration fee (in case of replacement of UCI).
2. Amounts due to the Swap Counterparty.
3. Interest due on the Class A notes.
4. Interest due on the Class B notes (when there is not an interest deferral trigger event).
5. Replenish the Reserve Fund to the required amount.
6. Principal payment on the Class A notes by an amount equal to the Class A target amortisation amount unless a turbo amortisation event occurs, in which case, principal payment on the Class A notes will be as detailed below.
7. Interest due on the Class B notes (when an interest deferral trigger event has happened).
8. Principal payment on the Class B notes, only after class A is fully repaid by an amount equal to the Class B target amortisation amount unless a turbo amortisation event occurs, in which case, principal payment on the Class B notes will be as detailed below.
9. Interest due on the Class C notes.
10. Principal payment on the Class C notes (only after the Class A and the Class B notes are fully repaid) by an amount equal to the Class C target amortisation amount unless a turbo amortisation event occurs, in which case, principal payment on the Class C notes will be as detailed below.
11. Payment of the subordinated amount of the Swap Transaction in those circumstances where the termination of the Swap Transaction was due to the default of the Swap Counterparty.
12. Interest due on the Subordinated Loan for funding the Reserve Fund.
13. Principal payment on the Subordinated Loan for funding the Reserve Fund.
14. Payment of the administration fee to UCI.
15. Payment of the variable commission to the Seller.

Principal Amortisation

The Class A target amortisation amount is equal to the positive difference between the outstanding principal balance of the notes and the outstanding principal balance of the non-defaulted collateral. However, if a turbo amortisation event occurs then all collections will be paid to the Class A notes as principal until paid in full after the payment of the senior fees, the amounts due to the Swap Counterparty, the interest due on the Class A notes, the interest due on the Class B notes (absent a Class B interest deferral trigger) and the replenishment of the Reserve Fund.

The Class B target amortisation amount (once the Class A notes have been redeemed in full) is equal to the positive difference between the outstanding principal balance of the notes (the Class B and the Class C notes) and the outstanding principal balance of the non-defaulted collateral. However, if a turbo amortisation event occurs then all collections will be paid to the Class B notes as principal until paid in full after the payment of the senior fees, the amounts due to the Swap Counterparty, the interest due on the Class A notes, the interest on the Class B notes and the replenishment of the Reserve Fund.

The Class C target amortisation amount (once the Class A notes and the Class B notes have been redeemed in full) is equal to the positive difference between the outstanding principal balance of the Class C notes and the outstanding principal balance of the non-defaulted collateral. However, if a turbo amortisation event occurs then all collections will be paid to the Class C notes as principal until paid in full according to the pre-enforcement priority of payments.

The turbo amortisation event will occur when the cumulative default ratio is greater than or equal to the following percentages:

Cumulative default ratio is equal or higher than:	Period
1%	One year after the closing date
2%	Two years after the closing date
3%	Three years after the closing date
4%	Four years after the closing date
5%	Five years after the closing date

Or anytime after the step-up date in September 2023.

A Class B interest deferral trigger will occur when the cumulative default ratio is equal to or higher than:

Cumulative default ratio is equal or higher than:	Period
2.5%	Until one year after the closing date (included)
5.5%	Until two years after the closing date (included)
11.0%	Until three years after the closing date (included)
15.5%	Until four years after the closing date (included)
20.0%	After four years after the closing date

Post-Enforcement Priority of Payments

Upon liquidation of the Issuer at the legal final maturity date or 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. Ordinary and extraordinary expenses and the administration fee (in case of replacement of UCI).
2. Amounts due to the Swap Counterparty.
3. Interest payment on the Class A notes.
4. Principal repayment of the outstanding principal balance of the Class A notes.
5. Interest payment and principal outstanding on the Class B notes.
6. Principal repayment of the outstanding principal balance of the Class B notes.
7. Interest payment and principal outstanding on the Class C notes.
8. Principal repayment of the outstanding principal balance of the Class C notes.
9. Interest payment and principal repayment on the Subordinated Loan for funding the Reserve Fund.
10. Payment of the administration fee to UCI.
11. Payment of the variable commission to the Seller.

Step-Up Payment and Optional Redemption of the Notes

On or after the Step-Up Date (14 September 2023), the Notes may be redeemed in whole (but not in part) at their outstanding principal balance together with all accrued but unpaid interest thereon up to and including the relevant payment date. Any such redemption shall be effected provided that the Issuer will have the necessary funds to pay all outstanding amounts of the Notes and amounts ranking prior. As of the step-up date, the interest on the Rated Notes increases.

Collateral Summary

Data Quality

DBRS received a loan tape to conduct the credit analysis of the portfolio (as of 2 July 2018), performance history information from 2001 until 2017, loan-level repossession data, dynamic arrears and dynamic prepayments. The sources of information used for this rating were provided by UCI and its representatives. DBRS considers the information available to it for the purposes of providing this rating to be of satisfactory quality.

Representation and Warranties

The asset's main representations and warranties according to the transaction documents include the following:

- At the date of incorporation, there will be no arrears greater than 30 days.
- All the mortgage loans are granted for the financing of primary residences.
- All the obligors are natural persons residing in Spain.
- The mortgage loans have been provided by UCI to individuals (customers) to finance transactions involving the acquisition of finished primary houses in Spain. None of the Mortgage Loans have been granted to real estate developers and all of the Mortgage Loans are secured with finished houses.
- Approximately 93.2% of the mortgage loans by loan balance have not been in arrears for more than 30 days, and no more than 6.8% of the mortgage loans had a maximum 90 days in arrears (with the most recent arrears having not occurred in the past 36 months).
- All obligors pay via direct debit.
- None of the mortgage loans refinances existing mortgage loans or finances the acquisition of repossessions.

Portfolio Characteristics

The assets in the portfolio are first-lien mortgage loans secured by residential properties located in Spain and originated by UCI. Furthermore, 17.15% of the portfolio comprises short-term fixed-rate loans. These are loans with a short-term fixed-rate period that consists of a fixed-interest rate of three, five, seven or ten years from origination that will switch to Euribor or IRPH once the fixed period expires. The fixed period has a WA remaining term of 11.0 years. Moreover, 24.92% of the pool comprises fixed-for-life-loans with a WA interest rate of 2.82%. All the loans pay monthly instalments.

The main characteristics of the final portfolio are summarised below. All calculations are based on the portfolio as of 2 July 2018. The final portfolio sold to the Issuer will be static. However, the Seller will be able to substitute any loans that are found to have breached the representations and warranties with loans of similar credit characteristics.

Summary Statistics (DBRS Calculations)

Number of Mortgage Loans	3,113
Number of Borrowers	3,113
Total Original Balance (EUR)	533,044,925
Total Current Balance (EUR)	428,000,349
Average Original Balance per loan (EUR)	171,232
Average Current Balance per loan (EUR)	137,488
Maximum Original Balance per Borrower (EUR)	1,027,000
Maximum Current Balance per Borrower (EUR)	691,776
WA Original LTV	75,4%
% >=80% OLTV	39.5%
WA Combined Current LTV	67.9%
% >=80% Combined Current LTV	35.1%
WA Combined Current Indexed LTV*	78.5%
% >=80 Combined Current Indexed LTV*	55.0%
WA Seasoning (Years)	5.8
WA Residual Term (Years)	26.7
WA Interest Rate	1.99%
WA Margin (Floating-rate loans indexed to 12-month euribor at closing)	1.09%

Source: UCI.
* Indexed LTV is calculated using INE data as of Q42015 consistent with DBRS's European RMBS Insight Model.

Summary Statistics (DBRS Calculations)

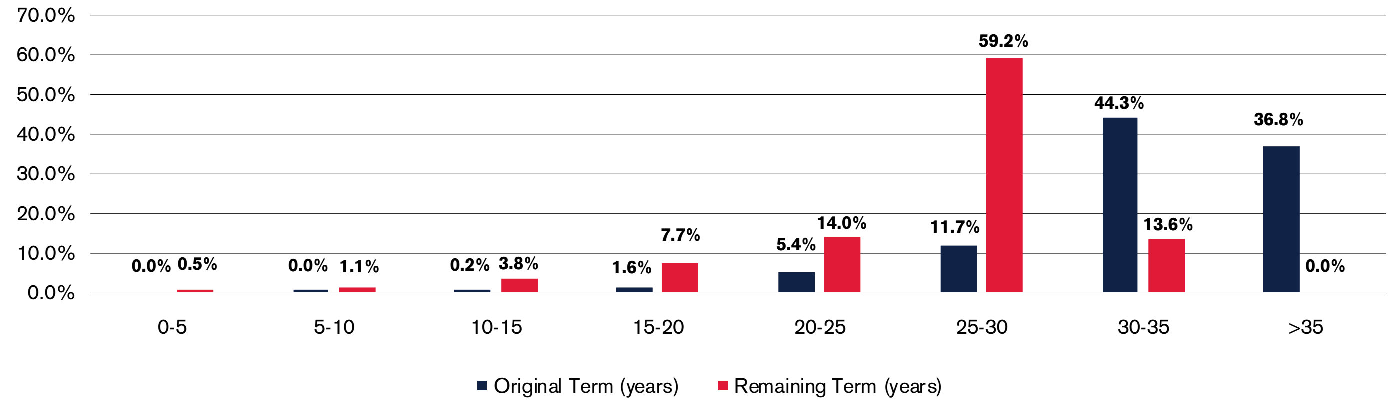
Self-employed, pensioners and unemployed	10.5%
Second Homes	0.0%
Purchase Loans	99.1%
Foreign Nationals	6.9%
Second Liens	0.0%
Spanish Residents	100%
Fixed-rate-for-life loans	24.92%

Source: UCI.

Original Term vs Remaining Term

The original WA term of the portfolio was 32.5 years with 81.2% having an original term greater than 30 years and 36.8% having an original term greater than 35 years. The current WA remaining term of the portfolio is 26.7 years, with 13.6% of the portfolio having a remaining term greater than 30 years and no loans having a remaining term greater than 35 years.

Exhibit 2: Loan Term Distribution



Margin and Interest Rate

The WA interest rate of the portfolio is 1.99%, while the WA margin (of the loans indexed to 12-month Euribor) is 1.09%. Approximately 99.5% of the portfolio has an interest rate below 3.5% given the combination of floating-rate loans and the current low interest rate environment.

Exhibit 3: Interest Rate Distribution

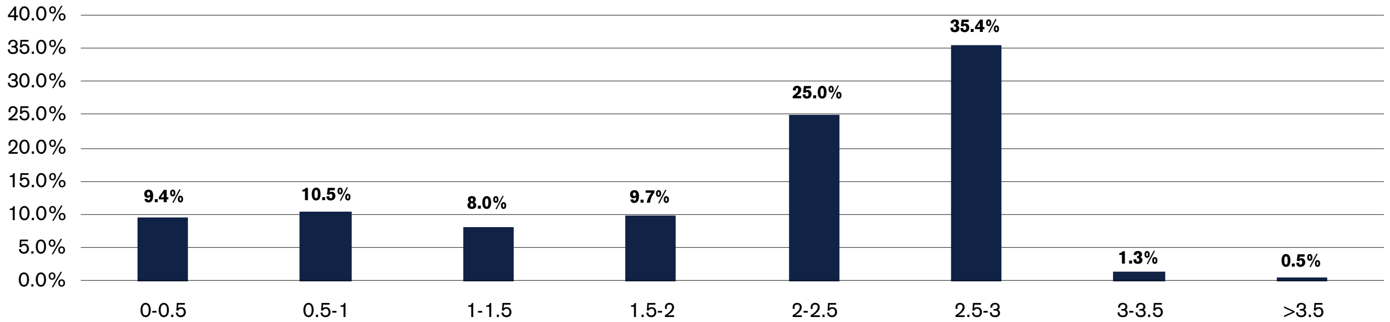
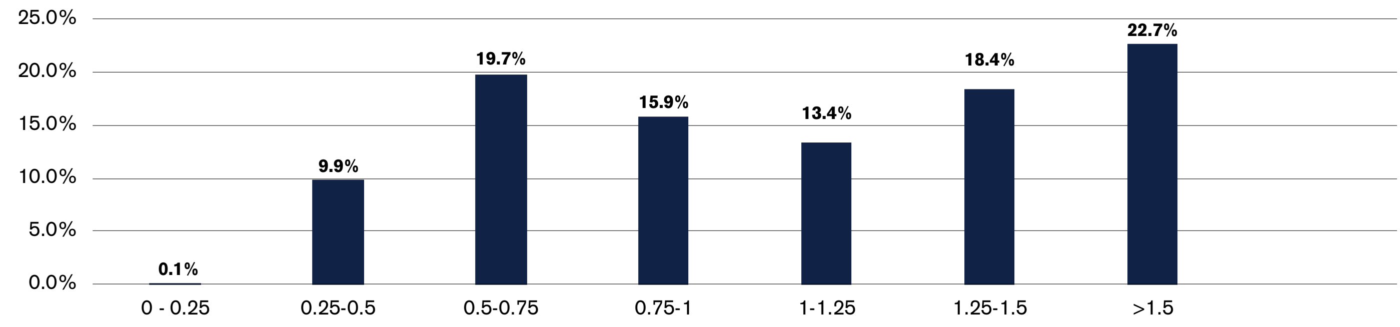


Exhibit 4: Interest Rate Margin (Floating Rate Loans for Life indexed to 12-month Euribor)



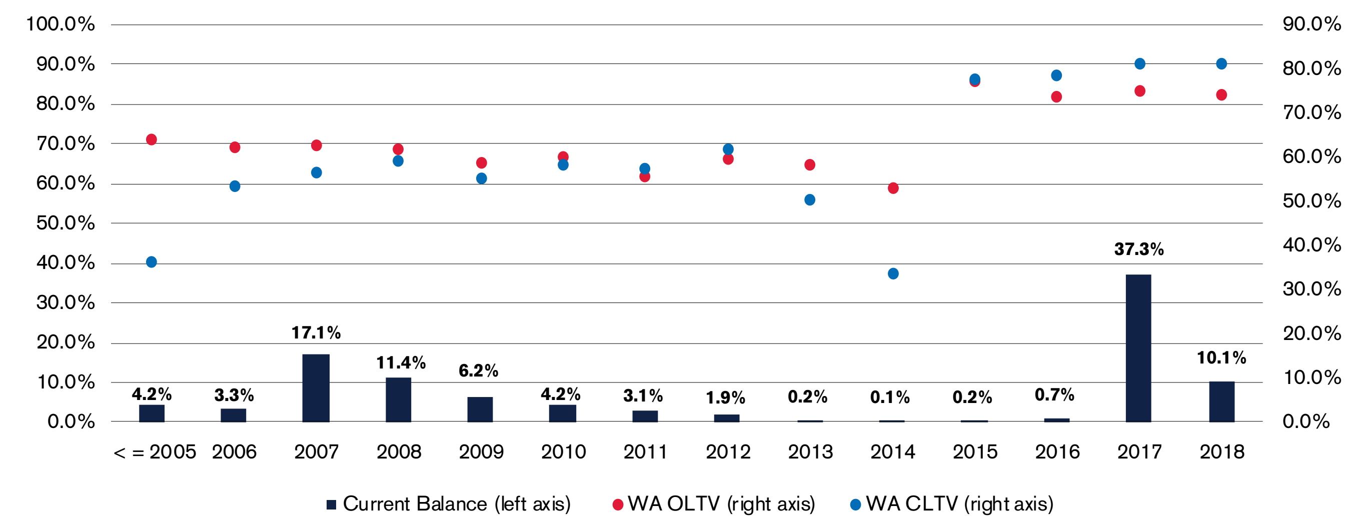
The loans in the pool have the following interest rate types:

- Approximately 17.2% of the pool are short-term fixed-rate loans with fixed-rate periods of three, five, seven or ten years, with a current weighted-average interest rate of 2.38%. All the short-term fixed-rate loans revert to 12-month Euribor. The WA remaining term of these short-term fixed-rate loans is 11.0 years.
- Floating-rate-for-life loans represent 57.9% of the pool with a WA interest rate of 1.52%.
- Fixed-rate-for-life loans represent 24.9% of the pool with a WA interest rate of 2.82%.

Origination Vintages

Approximately half of the portfolio was originated in recent years (37.3% originated in 2017 and 10.1% in 2018) and about one-third was originated during the years 2007 and 2008 (17.1% originated in 2007 and 11.4% in 2008).

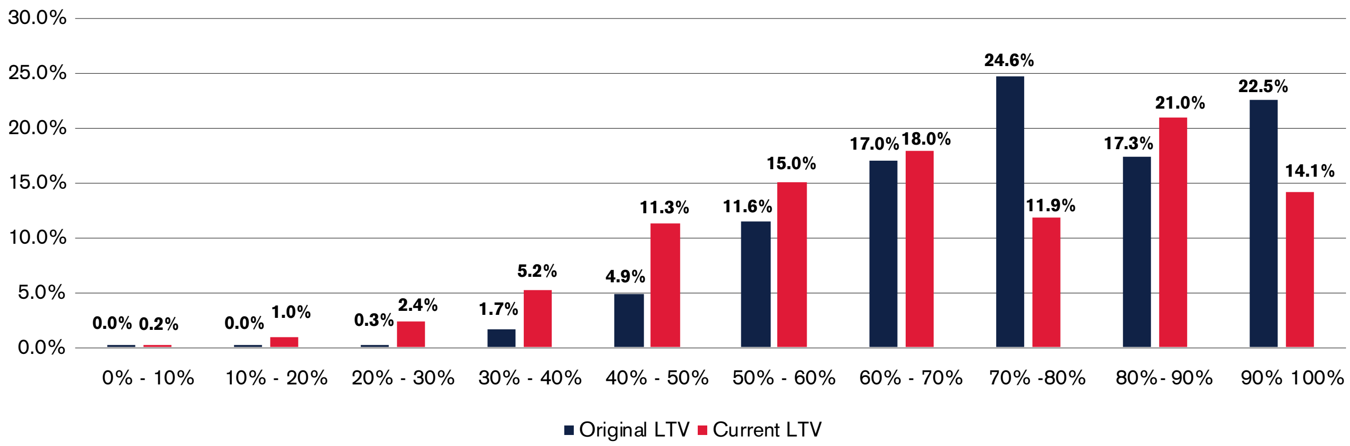
Exhibit 5: Origination Vintages/LTVs



LTV Distributions

The WA original LTV of the portfolio is 75.4% with 39.5% having an original loan-to-value (OLTV) greater than 80% and no borrowers having an OLTV greater than 100.0%. The WA current LTV of the portfolio is 67.9%, with 35.1% having a current LTV greater than 80.0% and less than 100.0%.

Exhibit 6: Loan to Value Distribution



Geographic Breakdown

The pool is concentrated primarily in Madrid (28.7% of the loan balance), Catalonia (27.3%) and Andalusia (19.9%). This is consistent with that of other Spanish RMBS transactions rated by DBRS.

Exhibit 7: Regional Distribution

DBRS uses the Spanish House Price model to generate market value declines (MVDs) for each rating scenario. The Spanish MVDs are estimated at the national level and for 19 autonomous regions.

Rating Analysis

The ratings are based upon a review by DBRS of the following analytical considerations:

- Transaction capital structure and form and sufficiency of available credit enhancement.
- The credit quality of the mortgage loan portfolio and the ability of the servicer to perform collection activities. DBRS calculated portfolio default rate (PD), loss given default (LGD) and expected loss (EL) outputs on the mortgage loan portfolio.
- The ability of the transaction to withstand stressed cash flow assumptions and repay the Class A notes according to the terms of the transaction documents. The transaction cash flows were modelled using portfolio default rates and loss given default outputs provided by the *European RMBS Insight Methodology*. Transaction cash flows were analysed using Intex DealMaker.
- The sovereign rating of the Kingdom of Spain, which has a Long-Term Issuer Rating of "A" and a Short-Term Issuer Rating of R-1 (low), both with Stable trends as of the date of this report.
- The consistency of the transaction's legal structure with DBRS's *Legal Criteria for European Structured Finance Transactions* methodology and the presence of legal opinions that address the true sale of the assets to the Issuer.

Historical Performance Data

DBRS received the following set of data from UCI:

- Static cumulative three+ months arrears, six+ months arrears and 12 months arrears.
- Cumulative recovery data three+ months arrears.
- Dynamic arrears and prepayments.
- Loan-level repossession data for 5,182 loans.
- Static origination volume covering the period Q1 2001 through Q4 2017.

The originations covered the period Q1 2001 through Q4 2017.

Exhibit 8: Cumulative 3+ Months Arrears

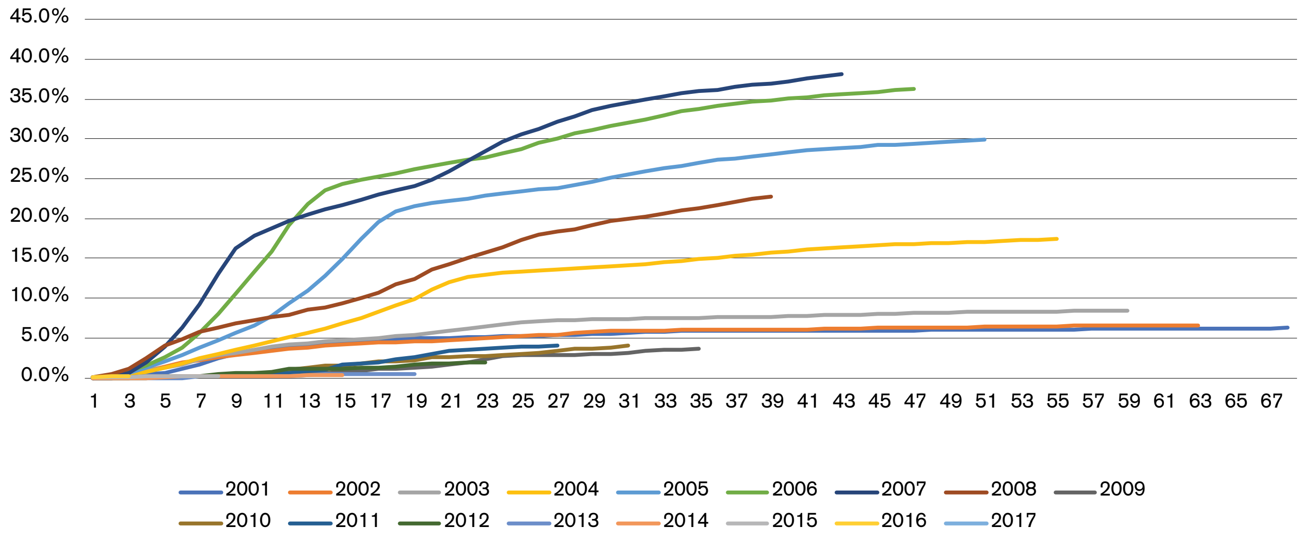
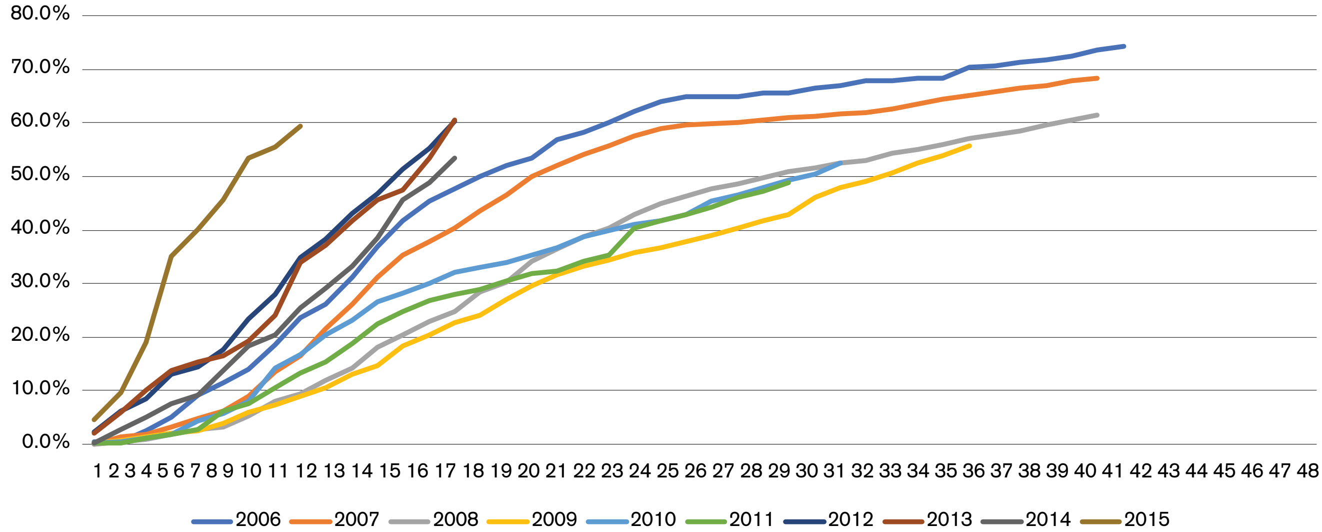


Exhibit 9: Cumulative 3+ Months Recoveries



European RMBS Insight Analysis

The portfolio was analysed using the European RMBS Insight Model with the parameters for the Spanish Mortgage Scoring Model used to score the credit risk of the loans and forecast PD and EL in the base case and stressed rating scenarios. The European RMBS Insight Model also takes into account the underwriting guidelines of the Issuer, product types, relative quality of historical performance, etc. by assigning an underwriting score to the portfolio.

For Prado VI, DBRS divided the portfolio into two different sub-pools. The first sub-pool includes 93.3% of the portfolio that has never been restructured, to which DBRS assigned a Spanish Underwriting Score of 4. The second sub-pool of 6.7% of the portfolio includes loans that were restructured in the past but have been performing on average for around three years. DBRS assigned a Spanish Underwriting Score of 6 to this sub-pool.

The first sub-portfolio was assigned a Spanish Underwriting Score of 4. The calculated weighted-average life (WAL) of the portfolio assuming a 2% conditional prepayment rate (CPR) is 8.8 years. 38.2% of the initial portfolio is scored in the risk segments between 10 and 15 per the DBRS European RMBS Insight Model. In year 4, 28.1% is scored in the higher risk segments with 18.4% remaining in the higher risk segments by year 8. See below for further details on the risk segment migration of the portfolio over time.

The second sub-portfolio was assigned a Spanish Underwriting Score of 6. The calculated WAL of the portfolio assuming a 2% CPR is 8.6 years. 76.9% of the initial portfolio are scored in the risk segments between 10 and 15 per the DBRS European RMBS Insight Model. In year 4, 57.3% are scored in the higher-risk segments with 43.1% remaining in the higher-risk segments by year 8. See below for further details on the risk segment migration of the portfolio over time.

DBRS criteria considers foreclosure costs when calculating loss-given defaults. In accordance with the criteria, DBRS estimates foreclosure costs to be 8% of the outstanding loan balance and a fixed cost of EUR 5000.

See Exhibit 10 and Exhibit 11 for further details on the risk segment migration of the portfolio over time.

Exhibit 10: Sub Porfolio 1 - Risk Segmentation Migration

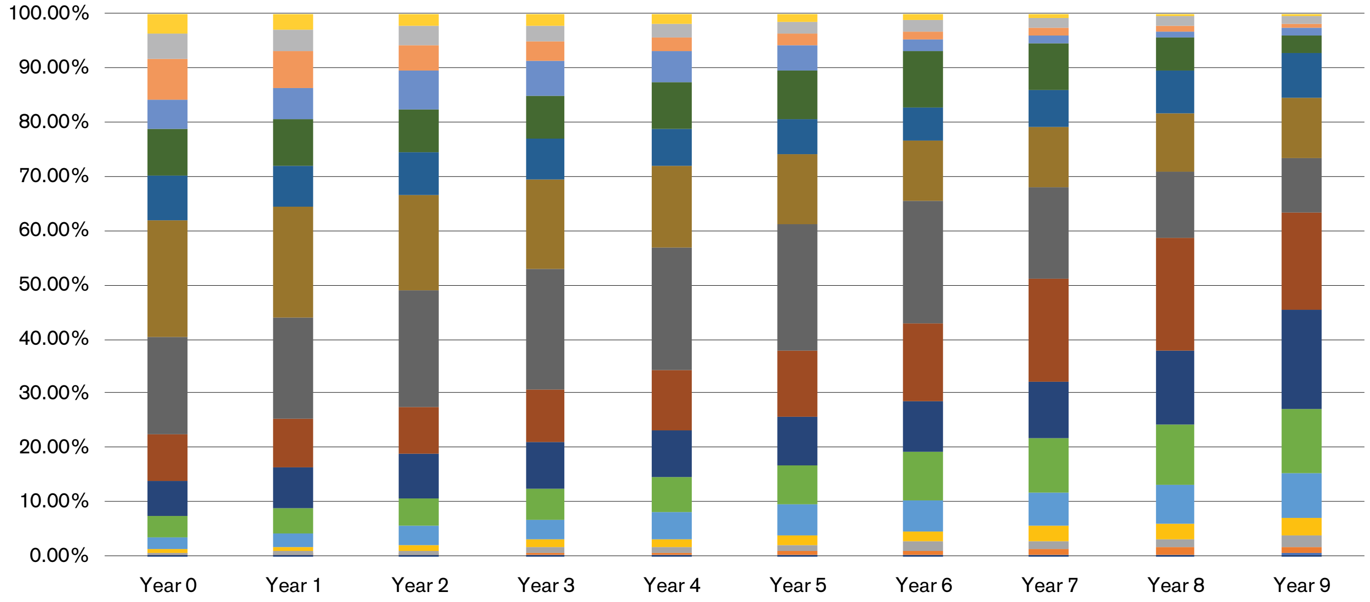
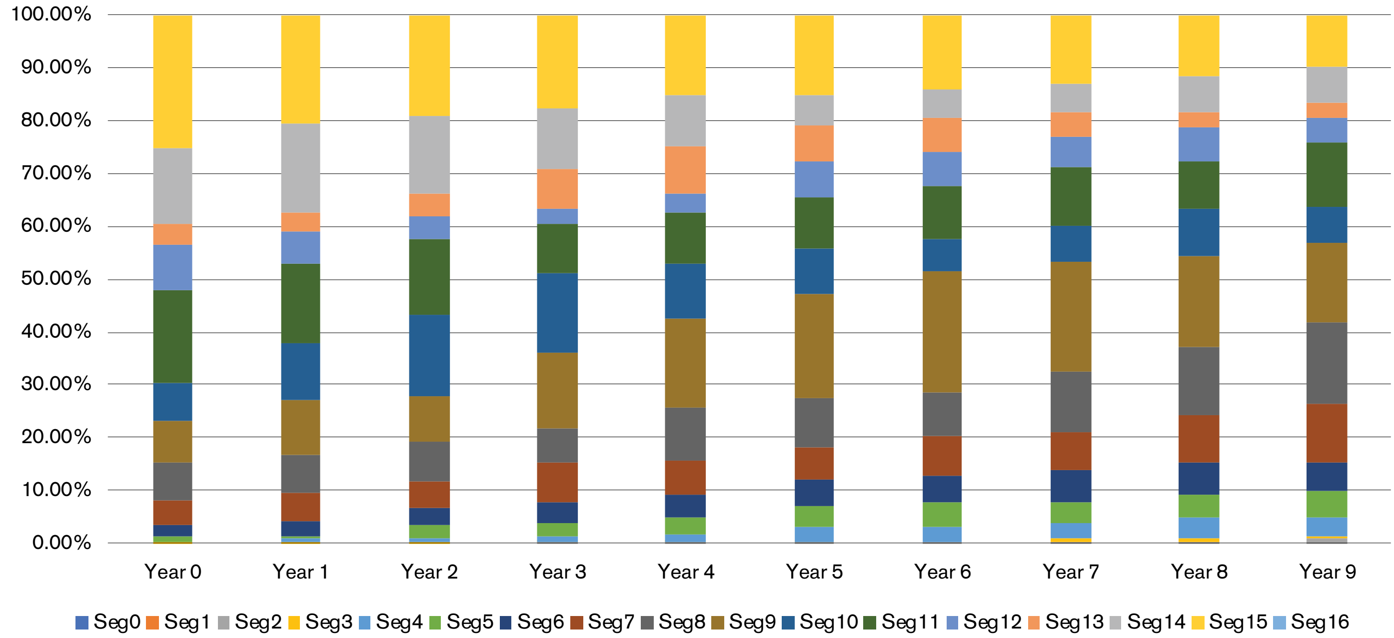


Exhibit 11: Sub Porfolio 2 - Risk Segmentation Migration



The results were used as the inputs into the cash flow analysis of the structure. The results of the model at the AAA (sf) and BBB (high) (sf) rating scenario and base case are listed below:

Rating Scenario	PDR	LGD	EL
AAA (sf)	31.4%	46.7%	14.7%
BBB (high) (sf)	19.3%	36.0%	6.9%
Expected Base Case	8.8%	29.5%	2.6%

Cash Flow Scenarios

To assess the timely payment of interest and the ultimate payment of principal on the Class A notes and the ultimate payment of interest and ultimate payment of principal on the Class B notes, DBRS applied two default timing curves (front-ended and back-ended), its prepayment curves (low, medium and high CPR assumptions) and interest rate stresses as per its *Interest Rate Stresses for European Structured Finance Transactions* methodology. Because of the low prepayment rates observed in the Spanish mortgage market, DBRS also applied a 0% CPR assumption.

Based on a combination of these assumptions, a total of 16 cash flow scenarios were applied to test the performance of the rated notes (see Exhibit 12).

Exhibit 12

Scenario	Pre-payments	Default timing	Interest Rate
1	0%	Front	Upward
2	0%	Front	Downward
3	0%	Back	Upward
4	0%	Back	Downward
5	5%	Front	Upward
6	5%	Front	Downward
7	5%	Back	Upward
8	5%	Back	Downward
9	10%	Front	Upward
10	10%	Front	Downward
11	10%	Back	Upward
12	10%	Back	Downward
13	20%	Front	Upward
14	20%	Front	Downward
15	20%	Back	Upward
16	20%	Back	Downward

Interest Rate Stresses

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

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 requirements and limitations:

- No further advances to the borrowers.
- No modifications in the frequency of the instalments.
- No renegotiation of the interest rate margin over the interest index below 0.75% if the reference rate used is Euribor, or below -0.25% if the reference rate used is the Mortgage Loan Benchmark Index (*Índice de Referencia de Préstamos Hipotecario* or IRPH).
- Extension of maturity of the loan as long as the final maturity date is not extended beyond 36 months before the legal maturity date of the Fund.
- Interest rates may be renegotiated to change a given variable interest rate to another fixed rate of interest with a limit of 5% of the initial balance of the loans.

DBRS has stressed 15% of the portfolio to incorporate the above modifications in its cash flow analysis.

Timing of Defaults and Recovery Lag

DBRS used ten-year front- and back-loaded default timing curves. A recovery lag of 48 months was used in the cash flow analysis per the *European RMBS Insight Methodology*.

Risk Sensitivity

DBRS estimated the PD and LGD for each pool based on a review of historical data and an assessment of the mortgage pool characteristics. Adverse changes to asset performance may cause stresses to base case assumptions and therefore have a negative impact on credit ratings. Exhibit 13 illustrates the sensitivity of the rating to various changes in the base case PD and LGD assumptions in the respective rating scenarios:

Exhibit 13

Class A

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	AAA	AA	A (high)
	25	AA (high)	A (high)	A (low)
	50	AA (low)	A	BBB (high)

Class B

		Increase in Default Rate (%)		
		0	25	50
Increase in LGD (%)	0	BBB (high)	BBB (low)	BB (high)
	25	BBB (low)	BB (high)	BB
	50	BB (high)	BB	BB (low)

Appendix

Methodologies Applied

The principal methodologies applicable to the ratings in this transaction are the *European RMBS Insight Methodology and European RMBS Insight: Spanish Addendum*.

Other methodologies referenced in this transaction are listed below.

- *Legal Criteria for European Structured Finance Transactions*
- *Interest Rate Stresses for European Structured Finance Transactions*
- *Operational Risk Assessment for European Structured Finance Servicers*
- *Operational Risk Assessment for European Structured Finance Originators*
- *Derivative Criteria for European Structured Finance Transactions*

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.

Surveillance Methodology

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

Notes:
All figures are euros unless otherwise noted.

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