

Rating Action: Moody's assigns definitive ratings to BANKINTER 20 FTA, a Spanish RMBS transaction

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London, 13 July 2010 -- Moody's Investors Service has assigned definitive ratings to the following class of Notes to be issued by BANKINTER 20 FTA:

Aaa to the EUR 1,650,000,000 notes due 2053

The transaction represents the securitisation of Spanish mortgage loans originated by Bankinter. The assets supporting the notes are prime mortgage loans secured by residential properties located in Spain. The portfolio will be serviced by Bankinter.

The expected portfolio loss of 1.2% and the MILAN Aaa required credit enhancement of 6% serve as input parameters for Moody's cash flow model, which is based on a probabilistic lognormal distribution as described in the report "The Lognormal Method Applied to ABS Analysis", published in September 2000. These low figures relative to other recent Spanish transactions reflect the relatively low weighted average loan-to-value of the portfolio and the better historical performance of previous transactions by Bankinter than the average in the Spanish market. The characteristics of the pool and quality of the originator are similar to previous Bankinter transactions. However, the uncertainty derived from systemic risk and deteriorating economic environment in Spain resulted in a MILAN Aaa CE in excess of that shown in previous transactions. In addition, support for liquidity risk is stronger than in the previous transaction since from closing date, 3.2% of reserve fund (out of 8%) can only be used to cover for shortfalls in the payments of senior costs and notes interest due during life of deal and to pay principal and interest at deal maturity.

The V Score for this transaction is Medium, which is in line with the V score assigned for the Spanish RMBS sector. Only one subcomponent of the V Score have been assessed better than the average for the Spanish RMBS sector. Issuer/Sponsor/Originator's historical performance variability is Low/Medium, which is lower than the Medium V score assigned for the Spanish RMBS sector for this sub-component because the low delinquency rates shown by this originator relative to the rest of the market. The portfolio in the subject transaction has very similar characteristics than in previous transactions and thus, we do not expect major differences in the performance to previous transactions. V-Scores are a relative assessment of the quality of available credit information and of the degree of dependence on various assumptions used in determining the rating. High variability in key assumptions could expose a rating to more likelihood of rating changes. The V-Score has been assigned accordingly to the report "V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors" published in April 2009.

The principal methodologies used in rating the transaction were "Moody's Approach to Rating Spanish RMBS" and "Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows)", which can be found at www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The definitive ratings address the expected loss posed to investors by the legal final maturity. The structure allows for timely payment of interest and ultimate payment of principal at par on or before the legal final maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed but may have a significant effect on the yield to investors.

To obtain a copy of Moody's New Issue Report on this transaction, please see Moody's website www.moodys.com or contact our Client Service Desk in London +44-20-7772 5454. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

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