

RatingsDirect®

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 5, 6, And 8 Following Review

Surveillance Credit Analyst:

Ignacio T Estruga, Madrid (34) 91-389-6964; ignacio.estruga@standardandpoors.com

Secondary Contact:

Soledad Martinez-Tercero, Madrid (34) 91-389-6954; soledad.martinez-tercero@standardandpoors.com

OVERVIEW

- We have reviewed Bankinter 5, 6, and 8's performance and their structural features by conducting our credit and cash flow analysis, analyzing the transactions' structural features and counterparty risk, and applying our relevant criteria.
- Following our analysis, we have taken various rating actions in each transaction.
- Bankinter 5, 6, and 8 are Spanish RMBS transactions issued between 2002 and 2004, which securitize portfolios of first-ranking mortgage loans granted to individuals resident in Spain.
- Our ratings are based on our applicable criteria, including our nonsovereign ratings criteria, which are under review. As a result, our future nonsovereign ratings criteria may differ from our current criteria. This change may affect the ratings on all outstanding notes in these transactions.

MADRID (Standard & Poor's) June 4, 2014--Standard & Poor's Ratings Services today took various credit rating actions in Bankinter 5 Fondo de Titulizacion Hipotecaria, Bankinter 6 Fondo de Titulizacion de Activos, and Bankinter 8 Fondo de Titulizacion de Activos.

Specifically, we have:

- Affirmed our ratings on the class A and B notes, and lowered our rating

on the class C notes in Bankinter 5;

- Raised our rating on the class A notes and affirmed our ratings on the class B and C notes in Bankinter 6; and
- Raised our rating on the class A notes and affirmed our ratings on the class B and C notes in Bankinter 8 (see list below).

Today's rating actions follow our review of the transactions' collateral credit quality and our assessment of counterparty risk. Our ratings on the notes also reflect our analysis of the transactions' structural features, for which we applied our cash flow criteria for European residential mortgage-backed securities (RMBS) transactions (see "Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions," published on Jan. 6, 2009). For each transaction, we have used the latest available data from the March 2014 trustee investor report.

CREDIT AND CASH FLOW ANALYSIS

The transactions' performance has been relatively stable since closing, even during the financial crisis starting in 2007. Our Spanish RMBS index shows that Bankinter S.A.'s series are some of the best performing transactions (see "Spanish RMBS Index Report Q4 2013: Severe Delinquencies Persist, Despite Signs Of Economic Recovery," published on Feb. 28, 2014). In particular, long-term arrears excluding defaults over the transaction's respective outstanding balances represent:

	March 2014 (%)	January 2012 (%)
Bankinter 5	0.44	0.37
Bankinter 6	0.53	0.42
Bankinter 8	0.63	0.52
Spanish RMBS index	6.17	3.19

Gross cumulative defaults (defined in the three transactions as loans in arrears for more than 18 months) represent 0.17%, 0.23%, and 0.32% of Bankinter 5, 6, and 8's initial balances, respectively. These low percentages, in addition to the relative high seasoning, reflect the good credit quality of the securitized assets.

In our view, this rise in long-term delinquencies is due to Spain's poor macroeconomic performance, such as unemployment rising to 25.3% in March 2014 from approximately 10% before 2008. We have accounted for this economic deterioration in our credit analysis by projecting further delinquencies.

The transactions have a trigger system so that in poor economic conditions, the more senior notes amortize before the subordinated classes of notes pay interest. In all cases, the trigger is reversible and depends on the principal deficiency amount, which is the positive difference between the scheduled amounts to be paid and the available amounts held in the fund. As of March 2014, none of the transactions had breached the triggers. Given that the transactions' performance has been stable, we don't expect them to breach the

triggers in the short to medium term.

The classes of notes in all of the transactions benefit from a reserve fund, which mitigates potential liquidity shortfalls and defaults. Since closing, the reserve funds have been at their documented required levels.

The available credit enhancement for Bankinter 5, 6, and 8 has increased since closing (the transactions closed in March 2003, October 2003, and April 2004, respectively):

- Bankinter 5: Increases of 5.72%, 3.62%, and 2.07% for the class A, B, and C notes, respectively.
- Bankinter 6: Increases of 7.59%, 4.51%, and 2.52% for the class A, B, and C notes, respectively.
- Bankinter 8: Increases of 5.94%, 3.92%, and 2.11% for the class A, B, and C notes, respectively.

Bankinter 5, 6, and 8's notes have been amortizing principal on a pro rata basis since November 2007, May 2009, and June 2009, respectively. This, together with the reserve funds' amortization, reflects the good performance of the underlying assets.

APPLICATION OF NONSOVEREIGN RATINGS CRITERIA

On May 23, 2014, we raised our long- and short-term foreign and local currency sovereign ratings on Spain. Under our nonsovereign ratings criteria, the maximum rating differential between our ratings on the sovereign in which the underlying assets are based and our ratings in the transaction is up to six notches (see "Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable" and "Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions," published on June 14, 2011). Therefore, our criteria cap the maximum potential rating in Bankinter 5, 6, and 8 at 'AA (sf)'.

COUNTERPARTY RISK

The three transactions are exposed to Barclays Bank PLC (Madrid Branch) (A/Negative/A-1) as guaranteed investment contract provider and Crédit Agricole Corporate and Investment Bank (A/Negative/A-1) as the swap counterparty provider.

Crédit Agricole has not updated the swap documents to reflect our current counterparty criteria and consequently, we cap the ratings at one notch above the swap counterparty's long-term issuer credit rating (ICR) (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). Under our criteria, the ratings in these transactions will be the higher of the ratings determined by our credit and cash flow results without the support of the swap counterparty, and the long-term ICR on the swap counterparty plus one notch.

In Bankinter 6 and 8, our long-term ICR on the swap counterparty does not

constrain our ratings on the class A notes, as we tested the structure without giving credit to the swap counterparty, so we have delinked the ratings from our long-term ICR on the swap counterparty accordingly. For the rest of the notes (class B and C) in Bankinter 6 and 8, and all of the notes in Bankinter 5, the ratings remain linked to our long-term ICR on the swap counterparty.

Bankinter 5

The class A and B notes can withstand the credit and cash flow stress scenarios that we apply at a 'A+ (sf)' rating level. We have therefore affirmed our 'A+ (sf)' ratings on the class A and B notes.

Given that the class A to C notes' principal payments are subordinated to replenishing the reserve fund, the class C notes' performance is more sensitive to potentially deteriorating at the end of the transaction's life. We have therefore lowered to 'BBB (sf)' from 'A (sf)' our rating on the class C notes.

Bankinter 6

We have raised to 'AA (sf)' from 'AA- (sf)' our rating on the class A notes following our recent rating action on Spain and the application of our nonsovereign ratings criteria (see "Application of Nonsovereign Ratings Criteria" above).

We have affirmed our 'A+ (sf)' and 'A (sf)' ratings on the B and C notes, respectively, as they were able to withstand our credit and cash flow stresses at their current rating levels.

Bankinter 8

We have raised to 'AA (sf)' from 'AA- (sf)' our ratings on the class A notes following our recent rating action on Spain and the application of our nonsovereign ratings criteria (see "Application of Nonsovereign Ratings Criteria" above).

We have also affirmed our 'A+ (sf)' and 'A- (sf)' ratings on the class B and C notes, respectively, as they were able to withstand our credit and cash flow stresses at their current rating levels.

Bankinter 5, 6, and 8 are Spanish RMBS transactions, which securitize portfolios of first-ranking mortgage loans granted to individuals resident in Spain. These transactions closed in December 2002, September 2003, and March 2004, respectively.

POTENTIAL EFFECTS OF PROPOSED CRITERIA CHANGES

These ratings are based on our applicable criteria, including those set out in the criteria article "Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions," published on June 14, 2011. However, please note

that these criteria are under review (see "Request For Comment: Methodology And Assumptions For Ratings Above The Sovereign--Single Jurisdiction Structured Finance," published on Oct. 14, 2013).

As a result of this review, our future criteria applicable to ratings above the sovereign may differ from our current criteria. This potential criteria change may affect the ratings on all outstanding notes in this transaction. We will continue to rate and surveil these notes using our existing criteria (see "Related Criteria").

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009
- Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Related Research

- Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 10, 11, And 13 Following Review, June 4, 2014
- Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable, May 23, 2014
- Europe's Recession Is Still Dragging Down House Prices In Most Markets, Jan. 17, 2013

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 5, 6, And 8 Following Review

- Scenario Analysis: What's Driving Spanish Mortgage Arrears?, April 13, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Spanish RMBS Index Report

RATINGS LIST

Class	Rating
To	From

Bankinter 5 Fondo de Titulizacion Hipotecaria
€710 Million Mortgage-Backed Floating-Rate Notes

Ratings Affirmed

A	A+ (sf)
B	A+ (sf)

Rating Lowered

C	BBB (sf)	A (sf)
---	----------	--------

Bankinter 6 Fondo de Titulizacion de Activos
€1.35 Billion Mortgage-Backed Floating-Rate Notes

Rating Raised

A	AA (sf)	AA- (sf)
---	---------	----------

Ratings Affirmed

B	A+ (sf)
C	A (sf)

Bankinter 8 Fondo de Titulizacion de Activos
€1.07 Billion Mortgage-Backed Floating-Rate Notes

Rating Raised

A	AA (sf)	AA- (sf)
---	---------	----------

Ratings Affirmed

B	A+ (sf)
C	A- (sf)

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2014 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.