BANKINTER 11, Fondo de Titulización Hipotecaria

[RMBS / Spain]

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of [•]. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.

Estimated Closing Date

December 2005

Lead Analyst

Sandie Arlene Fernandez
Assistant Vice Presidnet – Analyst
+34 91 702-6607
Sandie.Fernandez@moodys.com

Backup Analyst

Maria Turbica
Senior Associate
+34 91 702-6684
Maria.Turbica@moodys.com

Investor Liaison

London

Edward Bowden
Investor Liaison Specialist
+44 20 7772-5454
Edward.Bowden@moodys.com

New York

Brett Hemmerling
Investor Liaison Specialist
+1 212 553-4796
Brett.Hemmerling@moodys.com

Client Service Desk

London: +44 20 7772-5454
csdlondon@moodys.com
Madrid: +34 91 702-6616

Monitoring

monitor.london@moodys.com
monitor.madrid@moodys.com

Website

www.moodys.com

PROVISIONAL (P) RATINGS

Class	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon
A1	(P)**Aaa**	€ [30]	[•]	21 August 2048	3mE + [•]%
A2	(P)**Aaa**	€ [816.8]	[•]	21 August 2048	3mE + [•]%
B	(P)**Aa3**	€ [15.6]	[•]	21 August 2048	3mE + [•]%
C	(P)**Baa1**	€ [15.3]	[•]	21 August 2048	3mE + [•]%
D	(P)**Ba3**	€ [9.8]	[•]	21 August 2048	3mE + [•]%
E	(P)**Ca**	€ [12.5]	[•]	21 August 2048	3mE + [•]%
Total		€ [900]	100.00		

The ratings address the expected loss posed to investors by the legal final maturity. [In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal 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 yield to investors.

OPINION

Strengths of the Transaction

- Quality and Experience of Bankinter as originator of mortgage loans
- Good quality of data provided
- No High LTV loans within the portfolio
- Reserve fund fully funded upfront to cover potential shortfall in interest and principal
- Basis Swap provided by Bankinter
- Excess spread-trapping mechanism through an "18-month artificial write-off" mechanism

Weaknesses and Mitigants

- Securitisation of the HIPOTECA SIN – a somewhat flexible product
- No real experience on the behaviour of this particular mortgage product
- Very tight excess spread (47.13 bps over 12M Euribor on average)

STRUCTURE SUMMARY *(see page • for more details)*

Issuer:	BANKINTER 11 Fondo de Titulización Hipotecaria
Structure Type:	6 rated classes (From Aaa to Ca level), RF, and spread
Borrower:	BANKINTER (**Aa3**/**P-1**)
Seller/Originator:	BANKINTER (**Aa3**/**P-1**)
Servicer:	BANKINTER (**Aa3**/**P-1**)
Back-up Servicer:	N/A
Interest Payments:	Quarterly on February 21st, May 21st, August 21st, November 21st
Principal Payments:	Quarterly on February 21st, May 21st, August 21st, November 21st
Credit Enhancement/Reserves:	Reserve Fund fully funded at Day 1 through issuance of class E
Liquidity Facility:	N/A
Hedging:	Basis Swap provided by Bankinter (**Aa3**/**P-1**)
[Fiscal Property Advisor]:	
Principal Paying Agent:	BANKINTER (**Aa3**/**P-1**)
Security Trustee:	Europea de Titulizacion, S.G.F.T., S.A.
Note Trustee:	Europea de Titulizacion, S.G.F.T., S.A.
Arranger/Lead Manager:	BANKINTER (**Aa3**/**P-1**)

COLLATERAL SUMMARY *(see page • for more details)*

Loan Amount:	946.291.124,01
Loans Count:	6630
Pool Cut-off Date:	November 7th 2005
WA Original LTV:	63.93%
WA Current LTV:	60.38%
WA Seasoning:	17.09 months
WA Remaining Term:	313.01 months
Interest Rate Type:	2.79%
Geographic Diversity:	Madrid [35.42%], Cataluna [16.73%], Andalucia [10.74%]
Loan Purpose:	Acquisition of first residence
Loan Size:	142,728
Other:	This is the securitization of the first drawdown of the mortgage product (please see loan product description)

NOTES

Class	Index Reference Rate	Margin over Index
A1	3M EURIBOR	[•]
A2	3M EURIBOR	[•]
B	3M EURIBOR	[•]
C	3M EURIBOR	[•]
D	3M EURIBOR	[•]
E	3M EURIBOR	[•]

Excess spread at closing is •%.

TRANSACTION SUMMARY

New Product being securitised: The HIPOTECA SIN.

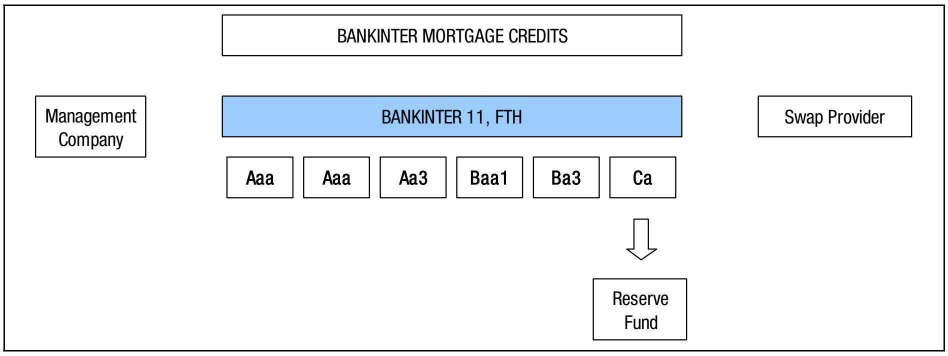
Moody's has assigned the following ratings to 6 classes of Bankinter's 11 bonds. (P)**Aaa** to the A1 notes, (P)**Aaa** to the A2 notes, (P)**Aa3** to the B Notes, (P)**Baa1** to the C Notes, (P)**Ba3** to the D notes and (P)**Ca** to the E notes.

Bankinter 11 comes to market with a new product being securitised. It is the HIPOTECA SIN, a flexible product which has become the star product for BANKINTER'S new mortgage production (see mortgage product description). Structurally, the transaction consists of 6 rated classes – a senior tranche [Aaa]-rated Series, two mezzanine Series B rated [**Aa3**] and Series C rated [**Baa1**] a subordinated Series D rated [**Ba3**] and an equity tranche [**Ca**] for an equal amount to the reserve fund. The SPV will use the proceeds from the issuance of the notes to purchase the mortgage loans portfolio, as illustrated in the structure in this section. The total initial purchase price of the mortgage loans will be equal to the proceeds received from the issue of the rated Class A, Class B, Class C, Class D, and Class E notes and the cash reserve will be funded with the proceeds from the Equity tranche.

Equity tranche amortisation plan = the equity tranche will amortise for an equal amount to the difference between RF required amount in the previous payment date and the RF required amount in the current payment date.

STRUCTURAL AND LEGAL ASPECTS

6 tranche structure as previously seen in other BK deals.



Soft Bullet Amortisation of A1 Tranche.

The A1 tranche will be amortised in its entirety on the payment date falling on May 21st, 2007. After the full amortisation of Class A1, the rest of the classes will begin their amortisation. However, should there not be enough funds to pay off Class A1 on the above stated payment date, its payment will be deferred alongside the rest of the classes until its full amortisation.

The Reserve Fund.

At every point in time, the amount requested under the reserve fund will be the lesser of the following amounts:

1) [1.39]% of the initial balance of the notes
2) The higher of the following amounts:
   - [2.80]% of the outstanding balance of the A1, A2, B,C and D notes
   - [0.70]% of the initial balance of the notes

However, amortisation of the reserve fund will cease if any of the following scenarios occur:

- The amount of mortgage credits more than 3 months and less than 18 months in arrears exceeds 1.00% of the outstanding balance of the portfolio.
- The available amount under the reserve fund is not equal to the then required amount

In addition, the reserve fund will not amortise during the first 3 years of the life of the transaction.

The Pro-Rata Amortisation.

The risks introduced by pro rata amortisation are mitigated by the following triggers:

- Series B Notes will start amortising pro rata with the Class A notes when they represent [3.516]% of the outstanding balance under the Series A1,A2, B, C and D notes.
- Series C Notes will start amortising pro rata with the Class A and B notes when they represent [3.448]% of the outstanding balance under Series A1,A2, B, C and D notes.
- Series D Notes will start amortising pro rata with the Class A, B and C notes when they represent [2.209]% of the outstanding balance under Series A1,A2, B, C and D notes

Series B	**Series C and D**
The outstanding amount of loans more than 90 days but less than 18 months past due is higher than 1.5% of the outstanding amount of the asset pool	The outstanding amount of loans more than 90 days but less than 18 months past due is higher than 1.0% of the outstanding amount of the asset pool
The available amount under the reserve fund is not equal to the then current required amount	

In addition to these triggers, the pro-rata amortisation will cease when the loan balance is less than 10.0% of the initial loan balance.

The Swap.

The transaction will include a basis swap by which the index reference rates on the assets (12 M Euribor) are exchanged against the index reference rate on the notes (3M euribor).

In addition, it is worth to note that the swap will cover all loans undergoing a grace period.

The Waterfall.

On each quarterly payment date, the Fondo's available funds will be applied in the following simplified order of priority:

1) Taxes, Cost and fees, excluding servicing fee (except in the case of Bankinter being replaced as servicer of the loans)
2) Any amount due under the swap agreement and swap termination payment if the Fondo is the defaulting or the sole affected party
3) Interest payment to Series A1 and A2
4) Interest payment to Series B (if not deferred)
5) (Interest payment to Series C (if not deferred)
6) Interest payment to Series D (if not deferred)
7) Principal Payment to A1, A2, B, C, D
8) Interest payment to Series B notes (if deferred)
9) Interest payment to Series C notes (if deferred)
10) Interest payment to Series D notes (if deferred)
11) Interest payment to Equity Tranche
12) Replenishment of the reserve fund
13) Amortisation of the Equity Tranche
14) Termination payment under the swap agreement (except if the Fondo is the defaulting or the sole affected party)
15) Junior expenses

The transaction will also have a post-enforcement waterfall and it is clearly stated that upon termination of the deal, the RF will be used as well for payment of E tranche principal.

Write-Off.

The transaction structure for Classes A, B, C and D benefits form an "artificial write-off", which traps available excess spread to cover losses (if any). Principal due, is the difference between the notes outstanding and the outstanding principal balance of the mortgage credits (performing mortgage credits plus mortgage credits less than 18 months in arrears).

Interest Deferral Trigger.

CLASS B	CLASS C	CLASS D
a) The principal deficiency exceeds 98% of the outstanding balance of Series B, C and D	a) The principal deficiency exceeds81% of the outstanding balance of Series C and D	a) The principal deficiency exceeds 69% of the outstanding balance of Series D
b) Series A1, and A2 are not fully redeemed	b) Series A1, and A2, Series B and are not fully redeemed	b) Series A1 and A2, B and C are not fully redeemed

COLLATERAL

The HIPOTECA "SIN" – bankinter's new flexible product

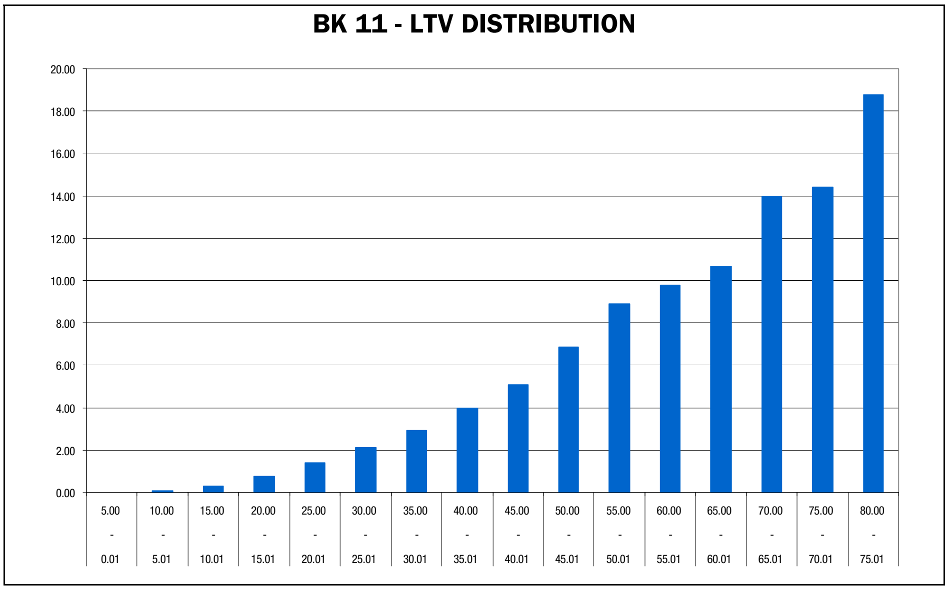
Bankinter is offering its first securitised flexible product, the HIPOTECA SIN. This product has embedded into a traditional mortgage product, several characteristics that aid in the payment flexibility. Among these characteristics, we can find: (1) successive redraws on the portion of the mortgage that has been amortised, (2) extension of credit payment terms, and (3) grace periods (both interest and principal grace periods).

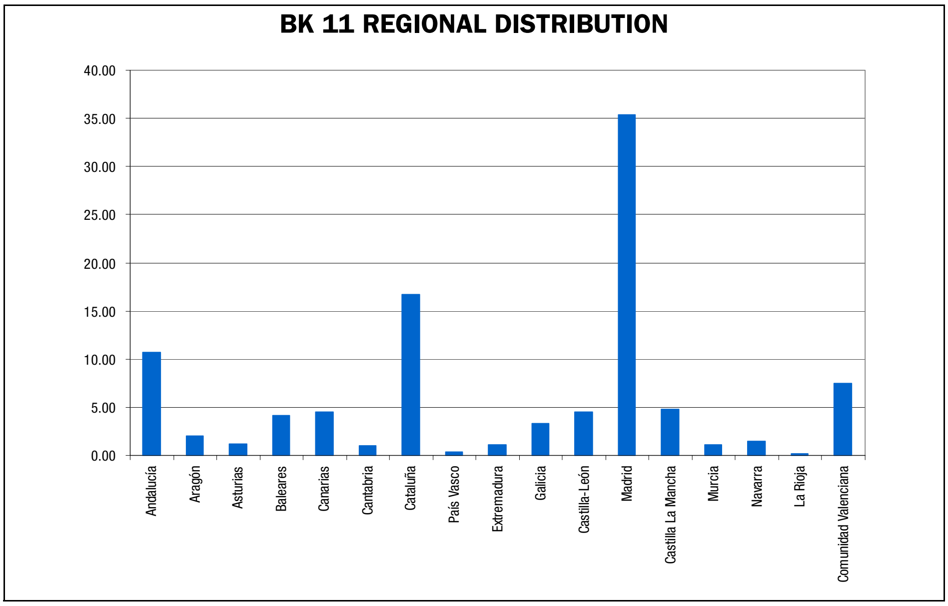
Only the first drawdowns of the line of credit will be securitised.

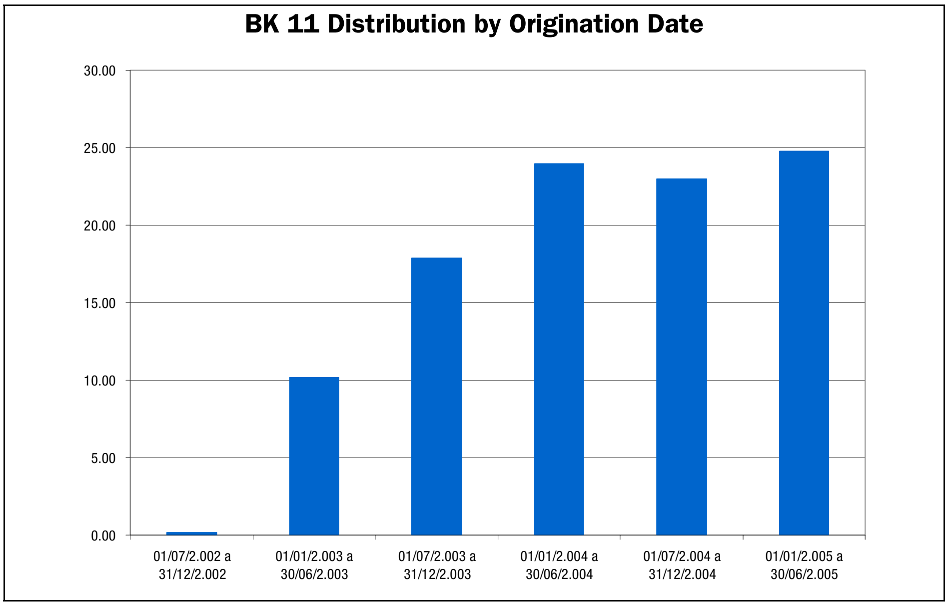
Regarding more specific characteristics of the product:

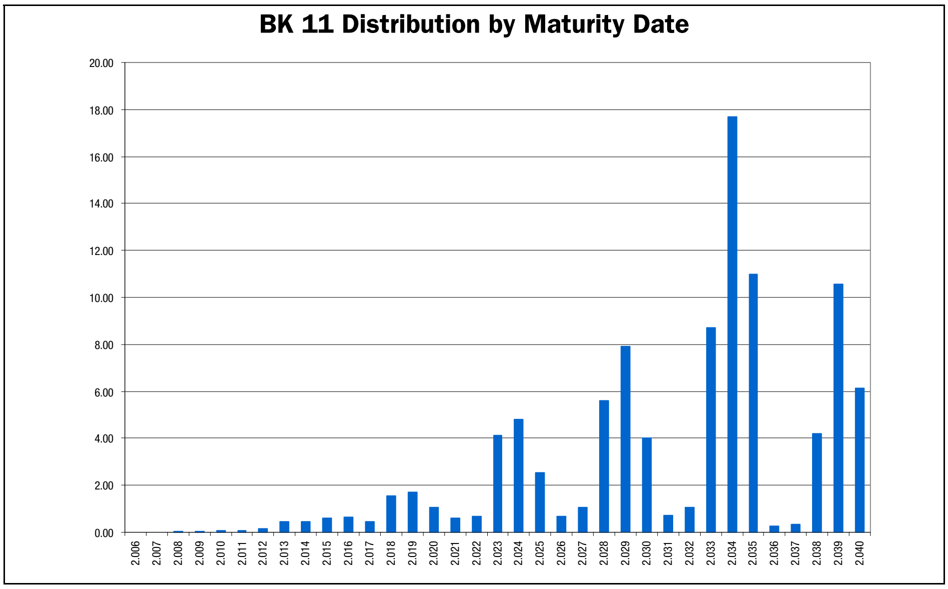
- first drawdown = 80% LTV
- Succesive drawdowns up to the level of the 80% limit
- Time of successive drawdonws = up to 10 years (with a max level equal to the initial maturity)
- Price = [1st year fixed rate at 2.95%, afterwards 12M EURIBOR + spread (0.35%-1.30%)]
- LOAN EXTENSION – the debtor will have the possibility to extend the mortgage loan up until 40 years. The first 2 years do not offer the possibility to extend the mortgage loan but after this period, the debtor can extend its mortgage loan by 6 months per full year that has been amortised.
- GRACE PERIODS – (exclusive for the first drawdown) valid from year 3 onwards, with maximum of 3 consecutive instalments per year and not more than 12 grace periods in 10 years. Unpaid interests will be paid with one instalment as soon as payments are resumed.

With regards to actual collateral characteristics, the following charts portray the transaction's detailed characteristics:




BK 11 REGIONAL DISTRIBUTION
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
Andalucía
Aragón
Asturias
Baleares
Canarias
Cantabria
Cataluña
País Vasco
Extremadura
Galicia
Castilla-León
Madrid
Castilla La Mancha
Murcia
Navarra
La Rioja
Comunidad Valenciana


BK 11 Distribution by Origination Date
30.00
25.00
20.00
15.00
10.00
5.00
0.00
01/07/2.002 a 31/12/2.002
01/01/2.003 a 30/06/2.003
01/07/2.003 a 31/12/2.003
01/01/2.004 a 30/06/2.004
01/07/2.004 a 31/12/2.004
01/01/2.005 a 30/06/2.005


BK 11 Distribution by Maturity Date
20.00
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
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2.007
2.008
2.009
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2.011
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2.040

ORIGINATOR, SERVICER AND OPERATIONS REVIEW

BANKINTER as very strong originator and with a proven track experience.

Moody's Aa3/P-1/B ratings for Bankinter reflect the bank's solid credit fundamentals – strong efficiency levels, good asset quality and strong recurring earning power – as well its technological leadership. The ratings also take account of Bankinter's more limited position in the Spanish market. Bankinter's business focuses primarily on servicing and financing small- and medium-sized companies and the top end of the retail market. Its sophisticated clientele and its increasing reliance on non-conventional channels to distribute its products and services could make Bankinter's retail franchise more vulnerable to new participants in an increasingly commoditised market which compels the bank to maintain at all times a differentiated product offering and high quality of service. A low cost structure and strong and stable non-interest income enable the bank to maintain a recurring earning power above that of many of its larger peers. We believe that behind Bankinter's success – demonstrated by its strong financial fundamentals – lies its flexible and agile commercial strategy, which results from the bank's technological leadership that allows it to react rapidly to market changes in a highly competitive environment.

MOODY'S ANALYSIS

Analysis has been made in order to include the loan's flexibility

Borrower's equity in a home is the prime determinant of the relative probability of default within a portfolio of mortgages. A borrower is more likely to default on a property if the option to sell it and retain some amount of profit diminishes. Therefore and given the possibility that these mortgage credits have of enjoying an additional drawn down, the severity of the loans has been stressed in order to account for the possible additional re-draw.

The first step in the analysis is to determine a loss distribution for the pool of mortgages to be securitised. Due to the high volume of mortgage credits and supporting historical data, Moody's uses a continuous distribution model to approximate the loss distribution: lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility associated with this expected loss. These parameters are derived from the Moody's Individual Loan Analysis ("MILAN") model.

In order to extrapolate expected losses for the loan pool, Moody's has compared the underwriting criteria of the originators with those of other mortgage originators in Spain.

Moody's thus determines a number representing the enhancement that would be required for a pool of mortgages to obtain an 'Aaa' rating under highly stressed conditions. This enhancement number (the "Aaa CE" number) is obtained by means of a loan-by-loan model.

The "MILAN" model looks at each loan in the pool individually and, based on its individual characteristics such as LTV or other identified drivers of risk, computes a benchmark CE number. This number assumes stressed recovery rates (through house price decline), interest rates and costs of foreclosure, as well as a stressed recovery time. The weighted average benchmark CE number is then adjusted according to the positive and negative characteristics of each loan and to those of the pool as a whole, in order to produce the "Aaa CE" number.

The "Aaa CE number" and the Expected Loss Number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses.

The standard deviation of the distribution is found by setting the probability of a loss greater than the expected loss that is consistent with the Idealised Expected Loss target of the "Aaa CE number".

Once the loss distribution of the pool under consideration has been computed, a cash flow model, Moody's Analyzer of Residential Cash-Flows ("MARCO"), is used to assess the impact of structural features of the transaction, such as the priorities of interest and principal and the related triggers, swap features and excess margins, liquidity mechanisms and the value of excess spread.

The sum of the loss experienced per note Class in each scenario, weighted by the probability of such loss scenarios, will then determine the expected loss on each tranche and hence the rating, in line with Moody's target losses for each rating category.

RATING SENSITIVITIES AND MONITORING

Moody's will monitor the transaction on an ongoing basis to ensure that its transaction continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

RELATED RESEARCH

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports

- All BANKINTER NIRs

SF65749isf