STANDARD & POOR'S

STRUCTURED FINANCE

Publication Date: Nov. 13, 2006

RMBS Presale Report

Bankinter 13, Fondo de Titulización de Activos

€1,570 Million Mortgage-Backed Floating-Rate Notes

Analysts: Isabel Plaza, Madrid (34) 91-788-7203 isabel_plaza@standardandpoors.com;
José Ramón Torá, Madrid (34) 91-389-6955, jose_tora@standardandpoors.com
Surveillance analyst: Rocío Romero, Madrid (34) 91-389-6968, rocio_romero@standardandpoors.com
Group e-mail address: StructuredFinanceEurope@standardandpoors.com

This presale report is based on information as of Nov. 13, 2006. The credit ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final credit ratings that differ from the preliminary credit ratings. For further ratings information, call one of the following Standard & Poor's numbers: London Client Support Desk (44) 20-7176-7400; London Press Office Hotline (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5916; or Moscow (7) 495-783-4017. Members of the media may also contact the European Press Office via e-mail on: media_europe@standardandpoors.com. Investors are invited to call the SF Investor Hotline on (44) 20-7176-3223.

Class	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
A1	AAA	85.0	5.64	Three-month EURIBOR plus a margin	July 17, 2049
A2	AAA	1,397.4	5.64	Three-month EURIBOR plus a margin	July 17, 2049
B	A	22.4	4.20	Three-month EURIBOR plus a margin	July 17, 2049
C	BBB	24.1	2.65	Three-month EURIBOR plus a margin	July 17, 2049
D	BB-	20.5	1.33	Three-month EURIBOR plus a margin	July 17, 2049
E**	CCC-	20.6	N/A	Three-month EURIBOR plus a margin	July 17, 2049

**The rating on each class of securities is preliminary as of Nov. 13, 2006 and subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.*
***The class E notes will be used to finance the reserve fund and are included in the issuance total. N/A—Not applicable. NR—Not rated.*

Transaction Participants	
Originator	Bankinter S.A.
Arrangers	Bankinter S.A. and Europea de Titulización S.G.F.T., S.A.
Seller	Bankinter S.A.
Servicer	Bankinter S.A.
Trustee	Europea de Titulización S.G.F.T., S.A.,
Transaction accounts provider	Bankinter S.A.
Interest swap counterparty	Bankinter S.A.

Supporting Ratings	
Institution/role	Rating
Bankinter S.A. as transaction accounts provider and interest swap counterparty	A/Stable/A-1

Transaction Key Features*	
Expected closing date	November 2006
Collateral	First and second mortgage loans for residential properties in Spain
Principal outstanding (Mil. €)	1,647
Country of origination	Spain
Concentration	Madrid (31.56%), Catalonia (18.35%), and Andalucía (10.26%)
Effective weighted-average LTV ratio (%)	65.89
Average loan size (€)	135,021
Loan size range (€)	5,700 to 1,170,551
Weighted-average seasoning (months)	12.34
Weighted-average asset life remaining (years)	27.24
Weighted-average mortgage interest rate (%)	3.49
Weighted-average margin at closing (%)	0.52
Arrears of more than 30 days	There will be no loans with arrears for more than one month at closing
Redemption profile	Amortizing
Cash reserve (% of issuance)	1.33
Mortgage priority	87.53% first-lien and 12.47% second-lien
Maximum LTV ratio (%)	100
Percentage of jumbo loans (> €400,000)	9.34
*As of Nov. 8, 2006.	

Transaction Summary

Standard & Poor's Ratings Services has assigned preliminary credit ratings to the €1,549.4 million mortgage-backed floating-rate notes to be issued by Bankinter 13, Fondo de Titulización de Activos, an SPE. At the same time, €20.6 million of class E notes will be issued to fund the reserve fund.

The originator of this transaction is Bankinter S.A., which ranks among the top 10 Spanish banks. It focuses on three main areas: retail banking, wholesale corporate banking and middle-market operations, and private banking.

Bankinter was founded in 1965 as a joint venture between the former Banco de Santander and Bank of America. Since then, both banks have divested their participations and Bankinter's shares are widely held and publicly traded on the Madrid stock market.

Standard & Poor's met with Bankinter to review its ability to administer the mortgages and is satisfied that its procedures are adequate.

If the short-term rating on Bankinter falls below 'A-1', the trustee must take whatever action is necessary to maintain the the-current rating on the notes.

Bankinter 13 is a fund whose sole purpose is to purchase the collateral from Bankinter, issue the notes, and carry on related activities. The issuer holds a distinct and closed pool of assets available for distribution to the noteholders. The assets are insulated from the insolvency of the originator and the trustee.

The loans, mainly originated in Madrid, Catalonia, and Andalucía, represent first- and second-ranking securities.

Notable Features

This is the 13th RMBS securitization of Bankinter's mortgage loans. In this transaction, Bankinter will act as originator, servicer, transaction accounts provider, and swap counterparty.

As in other Spanish transactions, interest and principal will be combined into a single priority of payments, with some triggers in the payment of interest to protect senior noteholders.

Strengths, Concerns, And Mitigating Factors

Strengths
• Given that this will be its 13th RMBS transaction, Bankinter has servicing and securitization experience. • There is adequate credit enhancement for the target ratings. The cash reserve, which will be fully funded upfront by the issuance of the class E notes and the excess spread of the pool, are both available to cover any interest or principal shortfalls.

Concerns
• The collateral consists of first- and second-lien mortgages, secured over residential properties in Spain, with an effective weighted-average current LTV ratio of 65.89% (after the aggregation of the mortgages) and a weighted-average seasoning close to one year. • The excess spread of the pool may decrease from its current margin of 52 bps as loans can be renegotiated at the borrowers' request. • The pool has some geographical concentration. Of the pool, 60.17% is concentrated in Madrid, Catalonia, and Andalucía.

Mitigating factors
• Standard & Poor's has taken into account the presence of second-ranking mortgages having an impact on the effective weighted-average LTV ratio of the pool. • The available margin has been stressed in Standard & Poor's cash flow analysis.

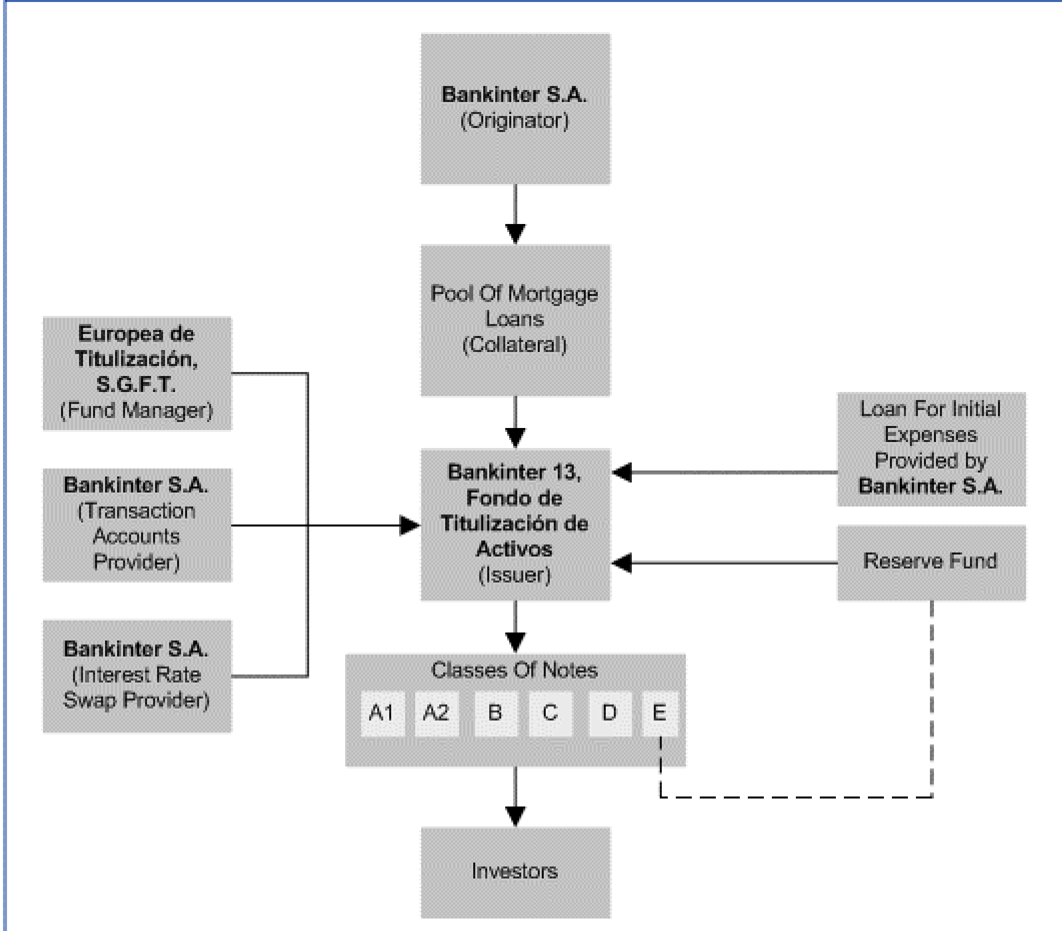
According to the offering circular, margins can be renegotiated down to a floor of the weighted-average margin of the pool of 35 bps. This is guaranteed in the transaction by Bankinter paying the difference in spread should the weighted-average spread be lower than 40 bps.

- Each loan will be able to reduce its margin up to a floor of 35 bps. The weighted-average margin of the pool may not be less than 40 bps.
- The presence of any regional concentrations has been taken into account in Standard & Poor's analysis of the portfolio.

Transaction Structure

At closing, the originator will issue mortgage transmission certificates (*"Certificados de transmisió hipotecaria"* or CTHs) to represent loans. The CTHs will be purchased by Europea de Titulización S.G.F.T., S.A., the trustee, on behalf of the issuer (see chart 1).

Chart 1: Bankinter 13, Fondo de Titulización de Activos Transaction Structure



Each CTH will represent, in equal amount and interest rate, the mortgage loan that will be securitized and that was originated by Bankinter in its main course of business. The CTHs will entitle Bankinter 13 to any rights and proceeds due under principal and interest on the mortgage loans.

The total outstanding amount of the mortgage loans to be purchased is expected to be €1,549.4 million. To fund the purchase of collateral, Bankinter 13 will issue four classes of notes, classes A, B, C, and D. The class A notes will in turn be divided into two tranches of notes, the class A1 and class A2 notes. Bankinter 13 will issue class E notes on the issue date to fund the reserve fund.

The collateral will be serviced by Bankinter, which will collect the amounts due under the mortgages. It will then transfer the collected instalments weekly into the treasury account.

The issuer will enter into a basis swap agreement with Bankinter to hedge any basis risk resulting from the differences between the index on the mortgages in the pool and the reference interest rate of the notes. The fund will pay interest received from collateral and the swap counterparty will pay three-month EURIBOR.

On each quarterly interest payment date, the issuer will pay, in arrears, the interest due to the noteholders. To make the payments, the issuer will have as available funds the proceeds of the interest swap, interest earned on the transaction accounts, the reserve fund, and, if necessary, principal received under the mortgage loans and any other proceeds received in connection with the mortgage loans.

All interest and principal received can be mixed to pay principal and interest due under the notes. A trigger will be implemented so that in a stressful economic environment the more senior notes will be amortized before interest on the subordinated classes of notes is paid (see *"Priority Of Payments"*).

Fund Manager Or Trustee Equivalent

The trustee is Europea de Titulización S.G.F.T. The creation of the trustee was authorized by the Ministry of Economy and Treasury on Dec. 17, 1992. Under the legislation for mortgage securitization in Spain, the day-to-day operations of the SPE will be managed by the trustee, which represents and defends the interests of the noteholders. The trustee, on behalf of the SPE, will enter into certain contracts (financial services agreements, a swap agreement, and a start-up loan) needed to protect it against credit losses and liquidity shortfalls that are assumed to arise in connection with the holding of the CHs. In this transaction, the main responsibilities of the trustee are to create the SPE, issue the notes on behalf of the fund, calculate the interest rate on the notes, notify noteholders of any relevant information applicable to the notes and PHs, and organize the annual audit.

Collateral Description

As of Oct. 28, 2006, the provisional pool of mortgage loans consisted of 12,198 amortizing loans secured by first-ranking mortgages over residential owner-occupied and second home properties in Spain. The original LTV ratio of the loans can be up to 100%. Bankinter has originated all the first-ranking mortgages related to a second-ranking mortgage loan included in the pool.

Other characteristics of the loans

- Of the pool, 60.17% is concentrated in Madrid, Catalonia, and Andalucía (see chart 2).
- The pool was originated between 2003 and 2006. The weighted-average seasoning is 12.34 months, with 29.36% of the pool being originated more than 12 months ago (see chart 3).
- The effective weighted-average LTV ratio is 65.89%, the minimum 2.19%, and the maximum LTV ratio 98.57% (see chart 4).
- The pool consists of floating-rate mortgage loans that are indexed to one-year EURIBOR. Mortgages in the pool have a weighted-average margin over a floating rate of 52 bps. The weighted-average interest rate is 3.49%. In addition, there are no caps or floors in the pool. Margins can be renegotiated down to a floor of the weighted-average margin of the pool of 35 bps. This is guaranteed in the transaction by Bankinter paying the difference in spread should the weighted-average spread be lower than 40 bps.

Chart 2: Geographical Distribution Of Loans

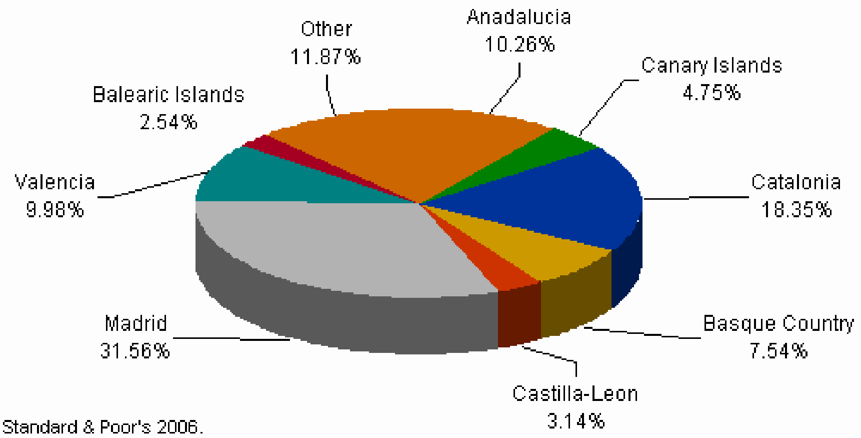


Chart 3: LTV Ratio Distribution

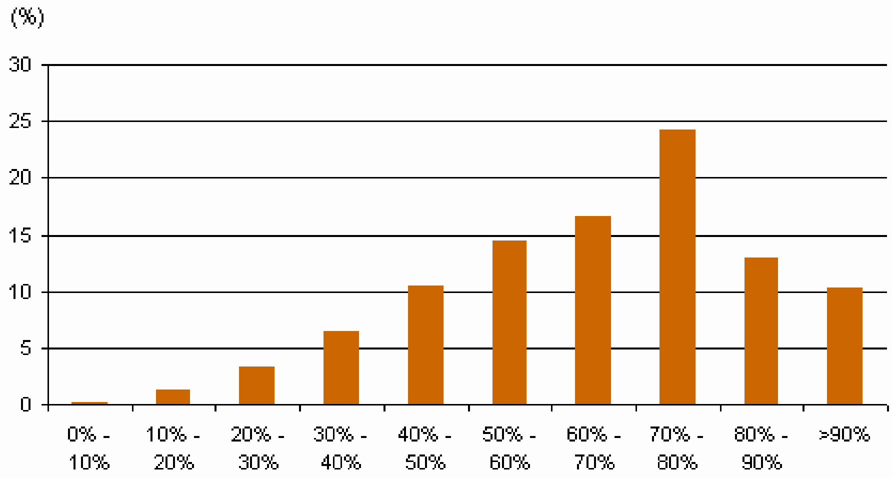
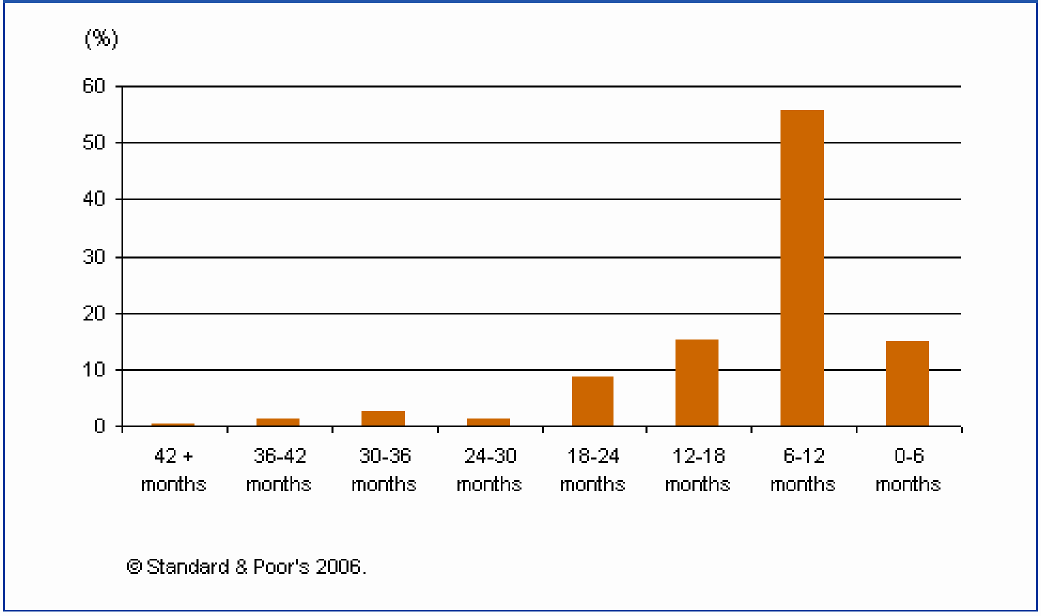


Chart 4: Seasoning Distribution



Collateral risk assessment

Standard & Poor's conducted a loan-level analysis to assess the credit risk of the pool of mortgages. The collateral risk assessment analyzed the foreclosure frequency and loss severity of each loan in the collateral pool. These depend on the characteristics of the borrower, the loan, and the rating on the notes. The potential loss associated with a loan can be calculated by multiplying the foreclosure frequency by the loss severity.

To quantify the potential losses associated with the entire pool, Standard & Poor's calculates a WAFF and a WALS at each rating level. The product of WAFF and WALS variables estimates the required loss protection during the life of the collateral in the absence of additional mitigating factors. The higher the targeted rating, the higher the required enhancement level.

Priority Of Payments

Payments on the notes will be made according to the priority of payments, namely to pay in the following order:

- Bankinter 13's ordinary and extraordinary expenses. This includes the fund manager fee, other fees for services and a third-party servicing fee, if applicable (i.e., where Bankinter is replaced);
- Any swap settlement amount, other than a termination payment, for reasons of default by the swap counterparty;
- Class A1 and A2 interest;
- Class B interest, unless it is deferred;
- Class C interest, unless it is deferred;
- Class D interest, unless it is deferred;
- Amortization holding fund (before April 17, 2008);
- Class A1 and A2 principal;
- Class B principal;
- Class C principal;
- Class D principal;
- Class B interest, if deferred;
- Class C interest, if deferred;
- Class D interest, if deferred;
- Class E interest;
- Replenishment of the reserve fund;
- Class E principal;
- The swap termination payment resulting from default by the swap counterparty;
- Initial expenses subordinated loan interest;

- Initial expenses subordinated loan principal;
- Bankinter's servicing fee, if applicable; and
- A financial intermediation margin.

All interest and principal received can be mixed to pay principal and interest due under the notes. A trigger will be implemented so that in a stressful economic environment the more senior notes will be amortized before interest on the subordinated classes of notes is paid.

The trigger will be reversible and will depend on the principal deficiency amount, which will be the positive difference between the scheduled amounts to be paid and the available amounts held at the fund. The deferral of interest will be as follows:

- Interest on the class B notes: If the principal deficiency is greater than 0.98x the sum of the outstanding balance of the class B, C, and D notes, the interest on the class B notes will be postponed later than the principal amortization.
- Interest on the class C notes: If the principal deficiency is greater than 0.81x the sum of the outstanding balance of the class C and D notes, the interest on the class C notes will be postponed later than the principal amortization.
- Interest on the class D notes: If the principal deficiency is greater than 0.69x the sum of the outstanding balance of the class D notes, the interest on the class D notes will be postponed later than the principal amortization.

Redemption of the notes

The notes will start amortizing on April 17, 2008. Until that date, all the amounts from the amortization of the notes will be deposited in an amortization account.

Unless early redemption occurs, the notes will be redeemed on July 17, 2049 at the latest, which is more than 30 months after the maturity of the longest-term mortgage in the pool, taking into account the possibility of a larger term of the loans.

At any payment date, the amount of principal due under the notes (the amortization amount) will be calculated as the difference between the outstanding balance of the notes and the performing balance of the assets, which excludes loans more than 18 months past due and arrears (considered as defaulted in this transaction). The notes will redeem sequentially, and if conditions are met, they will amortize pro rata basis.

At any payment date, the amount designated to amortize the class E notes will be the positive difference between the class E note amount at the determination date and the required reserve fund on the actual payment date.

Credit Structure

Cash collection arrangements

Collections will take place in a servicer account held at Bankinter. The funds will be transferred weekly to the treasury account, also held at Bankinter, but in the name of the issuer.

Before April 17, 2008, the amounts due to the amortization of the notes will be deposited in an amortization account held at Bankinter. On that date, these amounts will be transferred to the treasury account.

The treasury and the amortization accounts will both pay a guaranteed interest rate of 12-month EURIBOR.

Downgrade language and excess funds account

If the short-term rating on Bankinter falls below 'A-1', then, as paying agent, it will have 30 days to either:

- Obtain a guarantee from an 'A-1' rated financial entity; or
- Substitute the treasury account provider with an 'A-1' rated financial entity.

If neither of these two options is possible, Bankinter must invest the flow of funds in certain short-term debt. The total amount of 'A-1' investments should not represent more than 20% of the rated issue's outstanding principal amount and each investment should not mature beyond 30 days. Investments in 'A-1+' rated securities should not mature beyond 90 days. Either option is subject to Standard & Poor's confirmation.

If neither of these options is possible, it must obtain from the financial agent or a third-party, collateral security in favor of the fund on financial assets with a credit quality of not less than that of Spanish state government debt, in an amount sufficient to guarantee the commitments established in the financial services agreement.

Meanwhile, if the amounts held at the treasury and the amortization accounts exceed 20% of the outstanding balance of the notes, the excess must be deposited in an account for excess funds held at an 'A-1+' rated entity.

Basis swap agreement

On behalf of Bankinter 13, the trustee will enter into a swap agreement with Bankinter. This will provide protection against adverse interest rate resetting and movements.

The issuer will pay the swap counterparty the interest on the performing balance of the assets. The issuer will receive three-month EURIBOR on the performing balance of the loans.

Downgrade language of the swap counterparty

If Bankinter, as swap counterparty, is downgraded below 'A-1', it has 30 days to either find a substitute with a short-term rating of at least 'A-1', to find a guarantor with a short-term rating of at least 'A-1', or post collateral complying with Standard & Poor's requirements.

If the rating on the swap counterparty is lowered below 'BBB-', it would have 10 days to be substituted by a new counterparty rated at least 'A-1'.

Reserve fund

The reserve fund will be fully funded on the issue date by the issuance of the class E notes, representing 1.33% of the original balance of the backed notes. The reserve fund will be fixed for the first three years of the transaction. It will then amortize and be set as the minimum of either 2.66% of the outstanding balance of the mortgage-backed notes or half its original amount at the issue date. It will not amortize if, on a previous payment date, it was not at its required minimum level, or if the arrears ratio (three months past due) is greater than 1%. It will be used to pay interest and principal of the notes if insufficient funds are available.

Subordinated loan

Bankinter will provide a subordinated loan on the closing date that will fund the initial expenses that will arise to constitute the fund.

Standard & Poor's Stress Test

Standard & Poor's analysis included a conservative assessment of the credit risk inherent in the transaction. The credit enhancement levels were sized after analyzing the impact that severe stress scenarios would have on the mortgage loan collateral. As a result of this analysis, Standard & Poor's estimated the largest amount of potential losses that could occur as a result of these stress scenarios and set the amount of loss protection required on the notes.

Specific penalties were applied for the levels of aggregate defaults expected on the pool to reflect the foreclosure frequency attached to specific assets and/or the assets' location, and any terms and conditions that might increase or decrease credit risk. Standard & Poor's analysis fully reflects the specific features of the Spanish market with respect to loss severity and regarding foreclosure costs and foreclosure periods.

A cash flow model simulating the portfolio's performance within the transaction's documented structure was run under certain rating scenarios to stress liquidity and the level of excess spread in the transaction. The prepayment level, fees and expenses paid by the issuer, and delinquencies were the most important parameters stressed in all the runs.

Key Performance Indicators

Continual surveillance will be maintained on the transaction until the notes mature or are otherwise retired. To do this, regular servicer reports detailing the performance of the underlying collateral will be analyzed, supporting ratings will be monitored, pool cuts will be assessed, and regular contact will be made with the servicer to ensure that minimum servicing standards are being sustained and that any material changes in the servicer's operations are communicated and assessed.

Some of the key indicators analyzed by Standard & Poor's will be:

- Arrears levels, especially the cumulative ratio of loans that are three months past due;
- The principal deficiency amount;
- The total amounts held at Bankinter on behalf of the issuer; and
- Bankinter's credit quality.

Criteria Referenced

- "*Criteria For Rating Spanish Residential Mortgage-Backed Securities*" (published in March 2002).
- "*European Legal Criteria for Structured Finance Transactions*" (published on March 23, 2005).
- "*Ratings Affirmations And Their Impact On Investors*" (published on April 20, 2005).
- "*Cash Flow Criteria for European RMBS Transactions*" (published on Nov. 20, 2003).
- "*Methodology Behind European RMBS Indices*" (published on Nov. 8, 2004).

Related Articles

- "*Ratings Transitions 2005: Upgrades Outnumber Downgrades For First Time In European Structured Finance*" (published on Jan. 17, 2005).
- "*Stellar Growth In Spanish Securitization To Help It Maintain Europe's Number Two Slot*" (published in June 2004).
- "*2006 Holds Potential For Exciting Developments In European RMBS*" (published on Jan. 19, 2006).
- "*Spain H2 2006 Outlook Report: Increasing Maturity Of Spanish Securitization Reflected In Issuance Volume*" (published on July 27, 2006).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.