MOODY'S
INVESTORS SERVICE

NEW ISSUE REPORT

Bankinter 17, Fondo de Titulización de Activos

RMBS/Prime/Spain

Closing Date	Rating Date
12 June 2008	18 February 2011

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Definitive Ratings

Series	Rating	Closing amount (€ Mil)	Out-standing Amount (€ Mil)	% of Notes	Payment Type	Legal Final Maturity	Coupon	Subordi-nation*	Reserve fund*	Total Credit Enhance-ment**
A	Aa1(sf)	952.5	764.59	94.15	Pass-through	April 2051	3m-Eur + 30 bps	5.85	2.58	8.43
B	Ba1(sf)	34	34	4.19	Pass-through	April 2051	3m-Eur + 50 bps	1.66	2.58	4.24
C	Caa2(sf)	13.5	13.5	1.66	Pass-through	April 2051	3m-Eur + 70 bps	0.00	2.58	2.58
Total		1,000	812.1	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 principal with respect of the Classes A and B notes by the legal final maturity, and for ultimate payment of interest and principal with respect to the Class C notes, by the final legal final maturity. 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.

* As a % of all notes outstanding (after last payment date on 18 January 2011)

** No benefit attributed to excess spread.

V Score for the Sector (Spanish RMBS):	*Medium*
V Score for the Subject Transaction:	*Medium*

The subject transaction is a static cash securitisation of residential mortgage loans extended to obligors located in Spain. The portfolio consists of mortgage loans secured for the most part by residential properties in Spain.

Asset Summary (Outstanding Pool as of 31 December 2010)

Seller(s)/Originator(s):	Bankinter (A1, on review for possible downgrade/ P-1)
Servicer(s):	Bankinter
Receivables:	Mortgage loans (first and second-liens) and first drawdowns on mortgage lines of credits granted to Spanish individuals mainly secured by residential properties located in Spain.
Methodology Used:	» Moody's Updated Methodology for Rating Spanish RMBS, October 2009 (SF133138) » Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290) » A Framework for Stressing House Prices in RMBS Transactions in EMEA, July 2008 (SF131751) » V Scores and Parameter Sensitivities in the Major EMEA RMBS Subsectors, April 2009 (SF158654) » Moody's Enhanced Approach to Originator Assessments in EMEA RMBS Transactions, October 2009 (SF153718)

Asset Summary (Continued)

Models Used:	MILAN (Spain settings) MARCO & ABSROM
Total Amount:	€815.3 million
Length of Revolving Period:	Static
Number of Borrowers:	6,015
Borrower Concentration:	Top 20 borrowers make up 1.78% of the pool
WA Remaining Term:	23.79 years
WA Seasoning:	4.36 years
Interest Basis:	100% floating-rate loans indexed to 12-month EURIBOR
WA Current LTV:	51.3%
WA Original LTV:	62.73%
Moody's Calculated WA Indexed LTV:	56.83%
Borrower Credit Profile:	Prime borrowers
Delinquency Status:	3.17% loans are reported more than 30 days in arrears and 1.61% are reported more than 90 days in arrears as of 31 December 2010

Liabilities, Credit Enhancement and Liquidity

Excess Spread At Rating Date:	0.20% WA margin over the reference rate of the loans
Credit Enhancement/Reserves:	Excess spread 2.58% amortising reserve fund Guaranteed Investment Contract (GIC) account earning three-month EURIBOR on deposits
Form of Liquidity:	Excess spread, amortising reserve fund, principal to pay interest mechanism
Number of Interest Payments Covered by Liquidity:	Reserve Fund at initial level will cover 1.8 years of interest payments on the notes, given the current level of three-month Euribor
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	18 January, 18 April, 18 July, 18 October First payment date: 20 October 2008 Next payment date: 18 April 2011
Hedging Arrangements:	Basis interest rate swap

Counterparties

Issuer:	Bankinter 17, Fondo de Titulizacion de Activos
Sellers/Originators:	Bankinter (A1, on review for possible downgrade/ P-1)
Contractual Servicer(s):	Bankinter
Sub-Servicer(s):	N/A
Back-up Servicer(s):	N/A
Back-up Servicer Facilitator:	Europea de Titulización S.G.F.T.; S.A (NR)
Cash Manager:	Europea de Titulización
Back-up Cash Manager:	N/A
Calculation Agent:	Europea de Titulización
Back-up Calculation/Computational Agent:	N/A
Swap Counterparty:	Bankinter
Issuer Account Bank:	Bankinter
Collection Account Bank:	Bankinter
Paying Agent:	Bankinter
Management Company:	Europea de Titulización
Issuer Administrator/Corporate Service Provider:	Europea de Titulización
Arranger:	Europea de Titulización

Moody's View

Outlook for the Sector:	Negative
Unique Feature:	Asset type and structure has been seen previously in the market
Degree of Linkage to Originator:	Bankinter acts as servicer, swap counterparty, and paying agent as well as holding the collection and issuer account in the transaction. There is no back-up servicing arrangement contemplated in the documentation at closing.

Originator's Securitisation History:	
# of Precedent Transactions in Sector:	20 RMBS deals
% of Book Securitised:	38.0%
Behaviour of Precedent Transactions:	Delinquency rates reported on prior transactions of this issuer are better than the average reported in the Spain index.
Key Differences between Subject and Precedent Transactions:	This transaction is similar to the previous securitisations

Portfolio Relative Performance:	
Expected Loss/Ranking:	1.5% / lower than peer group due to better-than-average historical performance
MILAN Aaa CE/Ranking:	6.4% / lower than peer group
Weighted-Average Aaa Stress Rate for House Prices:	45.1%

Potential Rating Sensitivity:	
Chart Interpretation:	At the time the rating was assigned, the model output indicated that the note would have achieved Aa1 even if: (i) the expected loss was as high as 1.5%, assuming MILAN Aaa CE remained at or below 7.1%; and (ii) all other factors remained constant.
Factors which Could Lead to a Downgrade:	In addition to the counterparty issues, the following factors may have a significant impact on the subject transaction's ratings: (i) further deterioration in the Spanish macroeconomic environment and the real estate market beyond the stress that was modelled; and (ii) potential regulatory changes.

TABLE 1*

Tranche [A]

		MILAN Aaa CE Output			
		6.4%	**7.1%**	**7.7%**	**8.3%**
Median Expected Loss	**1.5%**	Aa1*	Aa1 (0)	Aa2 (1)	Aa3 (2)
	2.3%	Aa1 (0)	Aa2 (1)	Aa3 (2)	A1 (3)
	3.0%	Aa1 (0)	Aa3 (2)	A1 (3)	A2 (4)
	4.5%	Aa2 (1)	A2 (4)	A3 (5)	Baa1 (6)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Composite V Score

Breakdown of Assigned V Scores		Spain Sector	Trans-action	Remarks
Composite Score: Low (L), Low/Medium (L/M), Medium (M), Medium/High (M/H) or High (H) "Low" reflects the lowest level of uncertainty in estimating credit risk relative to other structured finance instruments.				
1	**Sector Historical Data Adequacy and Performance Variability**	**M**	**M**	
1.1	Quality of Historical Data for the Sector	M	M	» Same as sector score
1.2	Sector's Historical Performance Variability	M	M	» Same as sector score
1.3	Sector's Historical Downgrade Rate	L/M	L/M	» Same as sector score
2	**Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure**	**M**	**M**	
2.1	Quality of Historical Data for the Issuer/Sponsor/Originator	M	M	» Information on arrears, defaults, recoveries and prepayments for previous transactions was also provided.
2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M	L/M	» Previous deals show better performance and lower volatility than the market index
2.3	Disclosure of Securitisation Collateral Pool Characteristics	L/M	L/M	» Moody's has received detailed information on all the fields required in Moody's methodology.
2.4	Disclosure of Securitisation Performance	L/M	L/M	» Previous transactions report arrears, defaults and recoveries and generally have a good level of data » No periodical loan level data is received.
3	**Complexity and Market Value Sensitivity**	**L/M**	**L/M**	
3.1	Transaction Complexity	L/M	L/M	» In line with a typical transaction in the sector
3.2	Analytic Complexity	L/M	L/M	» In line with a typical transaction in the sector. Use of Milan framework and standard cash flow models
3.3	Market Value Sensitivity	L/M	L/M	» In line with a typical transaction in the sector
4	**Governance**	**L/M**	**L/M**	
4.1	Experience of, Arrangements among and Oversight of Transaction Parties	L/M	L/M	» Extensive experience in securitising mortgage loan pools
4.2	Back-up Servicer Arrangement	L	L	» A1-rated servicer. Back-up servicer to be identified at loss of Baa3 rating.
4.3	Alignment of Interests	L/M	L/M	» In line with a typical transaction in the sector
4.4	Legal, Regulatory, or Other Uncertainty	L/M	L/M	» In line with a typical transaction in the sector

Strengths and Concerns

Strengths:

- **Weighted-average LTV**: Weighted-average current LTV (based on valuation at origination) of 53.5% is lower than similar Spanish deals.
- **Performance on previous deals**: The previous securitisation funds issued by Bankinter show a better performance than the Spanish market average.
- **Seasoning**: The portfolio is relatively well seasoned with weighted-average seasoning of 4.3 years.
- **Hedging arrangements**: An interest rate swap agreement will cover the mismatch between the base rates of the portfolio and the notes.
- **Back-up Servicing**: The management company will identify a back-up servicer if Bankinter is downgraded below Baa3. At this stage, the back-up servicer will enter into a back-up servicer arrangement but will only step in at the discretion of the management company.

Concerns and Mitigants:

Moody's committees focused on the following factors in particular. These are listed in the order most likely to affect the ratings:

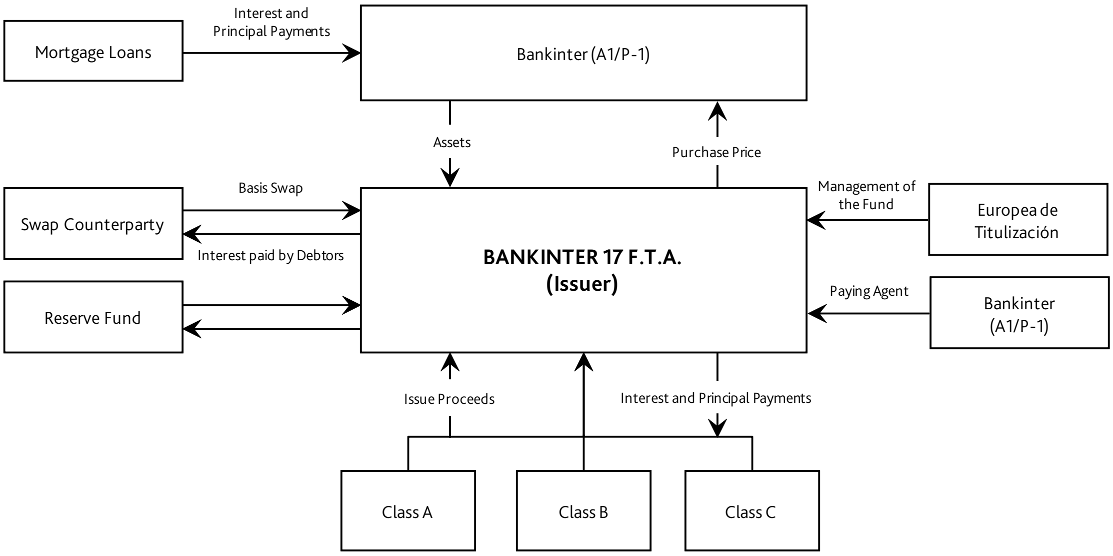
Loan Characteristics:

- **Flexible products**: 17.0% of the portfolio comprises flexible mortgages (line of credit), which allow borrowers to make further drawings up to a maximum credit limit defined at origination as well as take payment holidays. Any such further drawings are subject to Bankinter's credit review and approval. See section "Treatment of Concerns".
- **Commercial Properties:** Of the portfolio, 5.3% is backed by non-residential properties (commercial and lands). See "Treatment of Concerns" section for more details.
- **Employment:** 21.9% of the pool corresponds to self-employed borrowers . Standard adjustments have been applied following Moody's MILAN framework.
- **Origination channel:** 8.1% of the pool has been originated through third party agents. See section "Treatment of Concerns".
- **Foreign nationals:** 10.2% of the pool corresponds to foreign national borrowers. See section "Treatment of Concerns".
- **Occupancy:** 10.6% of the pool is second homes. Standard adjustments have been applied following Moody's MILAN framework.
- **Geographical concentration:** There is some concentration of loans originated in Valencia (18.9% of the pool). Standard adjustment has been applied following Moody's MILAN framework.
- **Legal responsibilities:** 16.0% of the pool corresponds to mortgage loans backed against more than one property. Bankinter has informed us of the type of property backing each loan. We were also provided with detailed information on the distribution of legal liabilities for those loans.
- **Liquidity:** the transaction does not have a specific source of liquidity. The reserve fund has been partially drawn to cover PDL. Moody's has taken this fact into consideration in its analysis.
- **Pro rata amortisation:** Pro rata amortisation of classes B and C leads to reduced credit enhancement of the senior series in absolute terms. This is mitigated by strict triggers, which interrupt the pro rata amortisation of the notes when the performance of the transaction deteriorates.
- **Economic conditions**: Weak economic prospects in Spain, with rising unemployment, are likely to increase

arrears in the short to medium term. An increased expected loss partly mitigates this risk.

Structure, Legal Aspects and Associated Risks

CHART 1
Structure Chart



Allocation of payments/pre-accelerated revenue waterfall: On each quarterly payment date, the issuer's available funds (i.e. interest amounts received from the portfolio, the reserve fund amounts received under the swap agreement, and interest earned on the issuer's account) will be applied in the following simplified order of priority:

1. Cost and fees, excluding servicing fee (except if Bankinter is 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 solely affected party
3. Interest on class A
4. Interest on class B (if not deferred)
5. Interest on class C (if not deferred)
6. Principal payment
7. Interest on class B (if deferred)
8. Interest on class C (if deferred)
9. Replenishment of the reserve fund
10. Subordinated loan and other junior payments

Allocation of payments/PDL-like mechanism:

A principal deficiency ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal and the performing assets. A non-performing asset is defined as one: (i) with any amount due, but unpaid for more than 18 months; or (ii) written off.

Performance Triggers:

Trigger	Conditions	Remedies/Cure
Reserve Fund Amortisation	The arrears level (defined as the percentage of loans that are more than 90 days in arrears) exceeds 1%; or The reserve fund is not funded at its required level on the previous payment date; or The weighted average margin of the portfolio is lower than 37.6 basis points (bps); or Less than three years have elapsed since closing	The target amount of the reserve fund will not be reduced on any payment date on which these occur
Interest Deferral for Class B	Class A is not fully amortised and cumulative default is greater than 8.00% of the original pool balance.	Payment of interest of class B will be deferred to a junior position on any payment date on which these occur
Interest Deferral for Class C	Class A and class B are not fully amortised and cumulative default is greater than 5.65% of the original pool balance.	Payment of interest of class C will be deferred to a junior position on any payment date on which these occur
Pro Rata Amortisation	The reserve fund is funded at its required level; and The pool balance is greater than 10% of the initial balance; and For class B: The percentage of loans that are more than 90 days in arrears is less than 1.50% and the subordination below class A is twice the initial subordination or higher. For class C: The percentage of loans that are more than 90 days in arrears is less	If the conditions are met, the principal collected is applied pro rata among class A and the relevant note.

	than 1.25% and the subordination below class B is twice the initial subordination or higher.

Reserve fund:

» At close: 2.30% of the original note balance

» Amortising to: 4.60% of the current note balance

» Floor: 1.15% of the original notes balance

Three years after closing, the reserve fund may amortise over the life of the transaction subject to the floor and reserve fund amortisation trigger.

As of the rating date, the reserve fund represents 2.58% of the outstanding amount of the notes, while the target amount is currently 2.83% (with the reserve fund funded at 91% of its target).

Liquidity:

» Principal to pay interest mechanism.

» The reserve fund is a further source of liquidity.

Assets:

Asset transfer:

» True sale: According to the legal opinion received, the securitisation of assets will be carried out in compliance with the Spanish Securitisation Law.

» Bankruptcy remoteness: Under the Spanish Securitisation Law, a Spanish SPV (FTA/FTH) is not subject to the Spanish Insolvency Law. Only the management company, acting in the best interest of the noteholders, can decide to liquidate the *Fondo*.

Interest rate mismatch:

100% of the portfolio corresponds to floating-rate loans linked to the 12-month Europe interbank offered rate (EURIBOR), whereas the three-month EURIBOR on the notes resets every quarter on the determination dates. Consequently, the *Fondo* will be subject to base rate mismatch risk.

Mitigant:

The *Fondo* will enter into a swap agreement with Bankinter to mitigate the base interest rate mismatch between assets and liabilities. Under the swap agreement:

» The *Fondo* will pay the sum of the total interest amount due from the reference indices on the non written-off loans, excluding those loans in holiday payment.

» The swap counterparty will pay the interest rate reference (three-month EURIBOR), over a notional value calculated as the daily average of the non written-off loans during the period.

The *Fondo* will still be exposed to portfolio delinquency levels, as it will have to pay any interest due to the swap counterparty regardless of whether or not the borrowers have paid.

The swap documentation complies with Moody's swap criteria and has been articulated by the international swaps and derivatives association (ISDA).

Cash commingling:

All of the payments under the loans in this pool are collected by the servicer using a direct debit scheme, whereby payments are deposited directly into the originator's account. Consequently, in the event of Bankinter's insolvency and until notification is delivered to the relevant debtors to redirect their payments, payments by the underlying debtors will continue to be collected by the servicer and may commingle with other funds belonging to Bankinter.

Mitigant*:*

» Payments are transferred on a weekly basis to the treasury account in the name of the *Fondo* held by Bankinter. If the latter's short-term rating falls below P-1, sweeping will be performed daily.

» If Bankinter's long-term rating falls below Baa3, it will: (i) find a P-1 rated entity to extend a line of credit; or (ii) deposit a commingling reserve in a P-1 entity. The amounts deposited in the reserve or drawn from the line of credit will be equal to one month of collections (interest and principal). The amounts will be part of the available funds if the servicer does not transfer received collections to the *Fondo* (draw down amounts will be equal to the amount of collections received and not transferred by Bankinter). In both cases, these amounts will be repaid junior in the waterfall.

» In the event of insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or management company discretion, the management company may demand that the servicer notifies obligors of the portfolio's transfer to the *Fondo* and advises obligors that payments on their loans will only be effective as a discharge if made into the treasury account in the name of the issuer. The management company also has the ability to carry out the notification

» Commingling risk has also been modelled assuming one month of collections.

Set off:

100% of obligors have accounts with the seller.

Mitigant:

Set off is very limited because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency might be offset against the deposits held by the originator.

Permitted loan variations:

Any renegotiation of the terms and conditions of the loans is subject to the management company's approval. The management company may authorise Bankinter to renegotiate, without approval, the interest rate of loans, the maturity of loans or a payment grace period (interest payment only) for no longer than 12 months.

Mitigant:

The renegotiation of the maturity of the loans is subject to various conditions:

» The maturity of any loan cannot be extended beyond March 2048.

» The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.

» The frequency of payments cannot be decreased.

» The amortisation profile cannot be modified.

Bankinter will be unable to renegotiate the margin of any loan once the weighted-average margin of the portfolio is below 35 bps.

Originator Profile, Servicer Profile and Operating Risks

Date of Operations Review:	June 2010

Originator Background: Bankinter

Rating:	» A1, under review for possible downgrade /P-1
Financial Institution Group Outlook for Sector:	» Negative
Ownership Structure:	» N/A
Asset Size:	»
% of Total Book Securitised:	» 38.0%
Transaction as % of Total Book:	» 2.0%
% of Transaction Retained:	» 100%

Originator Assessment	Main Strengths (+) and Challenges(-)
Overall Assessment:	**Above average**
Originator Ability	
Sales & Marketing Practices	+/- Bankinter enjoys a market share of 3.6%, with a mortgage book equal to €24.4 billion + /- Higher presence in the main urban areas. Madrid and Catalonia regions represent 40% of its business + Bankinter mainly targets high-income clients. 77% of its current clients have annual net family income exceeding €40,000 + Most of the origination comes from the branch channel (84%), while agents (with full dedication to Bankinter) represent 7%. When the first contact is carried through other channels, the file is redirected to the branch level. From then, the underwriting criteria are the same for all files.
Underwriting Policies & Procedures	+ /- For every transaction an electronic file is created with all the necessary information to grant the loan. This information system for individuals is called SINPAR +/- Decision-making is decentralised. Generally, decisions can be taken at the branch level for a mortgage loan below €250,000 if the LTV is below 80% and the internal scoring is below six. Automatic approvals represent 45% of the total. + The main criteria are applied as a decision tree: (i) debtor's background as Bankinter client; (ii) credit history (ASNEF, CIRBE, RAI); (iii) net incomes; (iv) affordability; (v) labour status; (vi) personal wealth; and (vii) property location and value. Repayment capability prevails over guarantee value. + Low LTV for the global mortgage book (57%) + /- The scoring system in place is a key element in the procedure. 84% of loans granted go through this automatic tool. +/- In cases of doubt, the file is redirected to a higher level of risk analysis. Bankinter has 129 risk analysts. + Internal ratings are diminished when the borrower works in riskier industries (real estate, automotive, hotels, textile).
Property Valuation Policies & Procedures	+ Bankinter follows a centralised procedure with respect to property valuations. + Bankinter assigns each valuation randomly to a pool of five nationwide and five regional appraisal companies. + The appraisal value is directly transmitted to the central department. The branch only receives it once the central department has redirected it.
Closing Policies & Procedures	+/- A mortgage loan usually takes 17 days in total from application to closing. + Standardized and controlled by the central mortgage unit, which makes the process highly efficient + Electronic files available for all the mortgage loans
Credit Risk Management	+/- Well-defined team to assess credit risk in Bankinter + It comprises risk analysis, modelling, stress testing and monitoring (on a weekly basis). + Clear risk tolerance, clearly understood by all managers

Originator Assessment	Main Strengths (+) and Challenges(-)
Originator Stability	
Quality Control & Audit	+/- Performed by the mortgage central unit +/- To guarantee the quality of the information, Bankinter carries out random internal audits
Management Strength & Staff Quality	+ Bankinter staff are highly skilled with a great deal of expertise within the mortgage market sector. Risk managers have more than 15 years of experience. + Staff receive ongoing training updates with 56 hours of annual training developed by a specific team. IT tools are widely used in this training process.
Technology	+ IT is a core development area for Bankinter, which has historically shown high level of commitment to this field. + Global daily back-up and disaster recovery site

Servicer Background: Bankinter

Rating:	» A1, under review for possible downgrade/P-1
Total Number of Mortgages Serviced:	» 246,729
Number of Staff:	» 17

Servicer Assessment:	Main Strengths and Challenges
Overall Assessment:	**Above Average**
Servicer Ability	
Loan Administration	+/- Carried out at the branch level, with the support of the mortgage central unit +/- Bankinter requires mortgages to be paid by direct debit and the borrower to have an open account +/- The registration department verifies all the information received with respect to the mortgage registration (public deed). + Cash reconciliation is performed on a daily basis.
Early Arrears Management	+ Proactive alerts in place to detect specific areas with higher risks (e.g. branches, segments or procedures). Statistical alerts: RAI, ASNEF, CIRBE and INEM (National Unemployment Payment System) since 2009 + For mortgage loans with amounts>€60.000, there is an analyst in charge of the file, and substituting the branch in the process +/- The management of a mortgage loan in arrears starts five days after the first unpaid instalment. After 60 days, servicing is carried out by the recovery department. + There is no significant outsourcing of the arrears management function.
Loss Mitigation & Asset Management	+ After 60 days, the recovery team takes the file. There is a specific team of five analysts in the central mortgage unit that is in charge of loans above €120,000. Each analyst handles 100 files. + Recovery rate before legal claim: 93% + No significant number of repossessions, auctions or payment in kind (*dación en pago*). + Since 2009, Bankinter offers the sale of repossessed properties to new clients.
Servicer Stability	
Management Strength & Staff Quality	+/- The number of staff has not experimented significant changes in the last 12 months. +/- Mainly operating in the central department
IT & Reporting	+ Full document imaging and single client view across operations, allowing access to all scanned documents + Strong reporting capabilities
Quality Control & Audit	+ Centralized and performed by the mortgage central unit + This unit produces monthly reports to ensure the quality of the servicing process

Strength of Back-up Servicer Arrangement:	» N/A

Back-up Servicer Background: None appointed

Receivable Administration:	
Method of Payment of Borrowers in the Pool:	100% direct debit
% of Obligors with Account at Originator:	100%
Distribution of Payment Dates:	Evenly distributed throughout the month

Cash Manager Background: Europea de Titulización S.G.F.T.

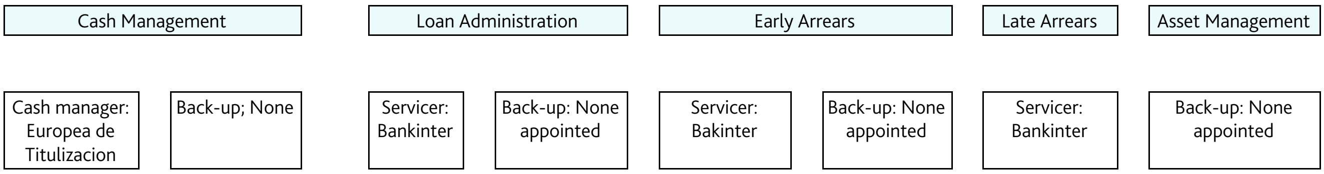
Rating:	NR
Main Responsibilities:	Preparation of investor report Obligation to calculate the payments according to waterfall Draw on reserve fund Request a commingling reserve or line of credit, if applicable
Calculation Timeline:	Calculation date

Back-up Cash Manager Background: None appointed

Originator/Servicer/Cash Manager Related Triggers

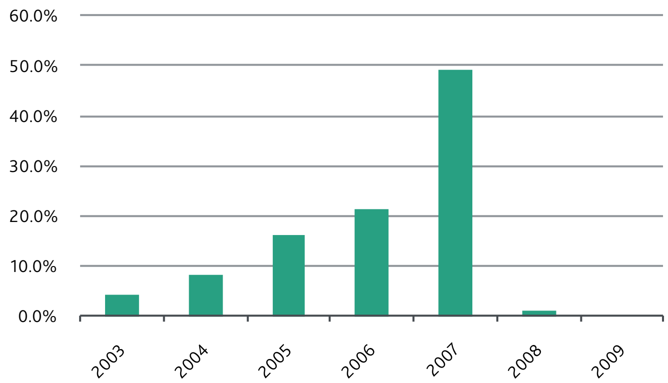
Key Servicer Termination Events:	Insolvency, Administration by Bank of Spain, Failure to perform under servicing contract
Appointment of Back-up Servicer Upon:	Servicer loss of Baa3
Key Cash Manager Termination Events:	Insolvency
Appointment of Back-up Cash Manager Upon:	N/A
Notification of Obligors of True Sale	On servicer default
Conversion to Daily Sweep (if original sweep is not daily)	On servicer loss of Baa3
Notification of Redirection of Payments to SPV's Account	On servicer default
Accumulation of Set-Off Reserve	N/A
Accumulation of Liquidity Reserve	N/A
Set up Liquidity Facility	N/A

CHART 2
Entities involved for Cash Management and Servicing



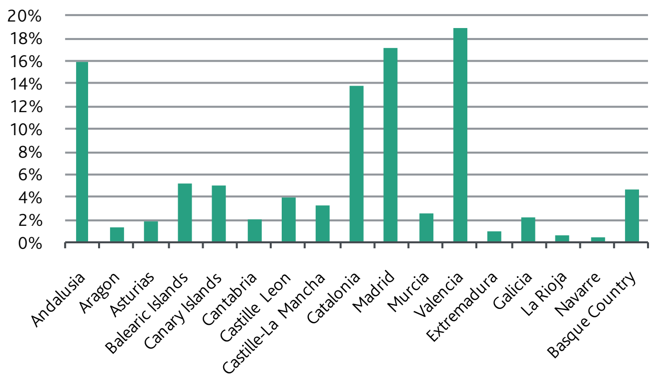
Collateral Description (Outstanding Portfolio as of 31 December 2010)

CHART 3
Portfolio Breakdown by Year of Origination



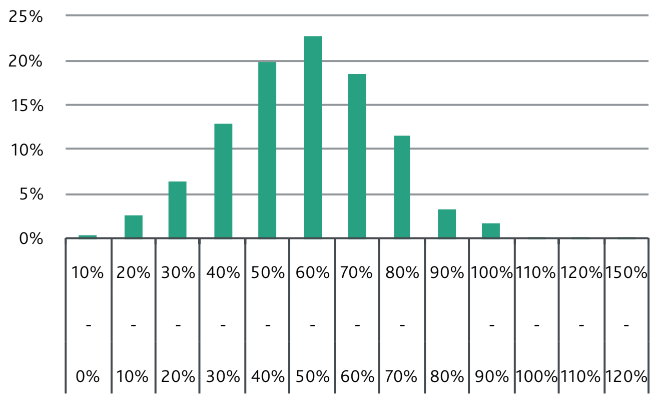
Source: Outstanding portfolio

CHART 4
Portfolio Breakdown by Geography



Source: Outstanding portfolio

CHART 5
Portfolio Breakdown by Current LTV

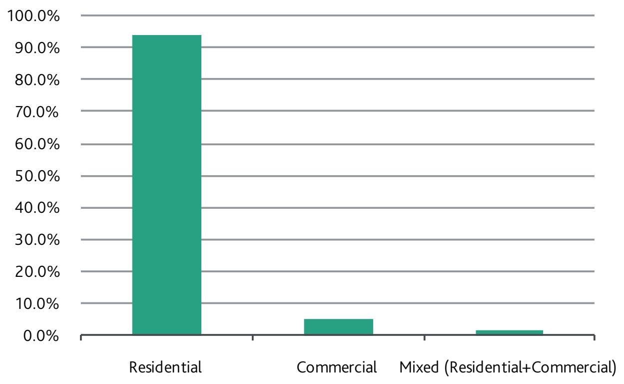


Source: Outstanding portfolio

CHART 6
Portfolio Breakdown by Employment Type

Source: Outstanding portfolio

CHART 7
Portfolio Breakdown by Property Type



Source: Outstanding portfolio

Product description: The assets backing the notes are first-ranking mortgage loans. Flexible products (see below) represent 12.27% of the pool. Almost all the loans in the pool are secured on residential properties located in Spain (3.34% are commercial lend to individuals).

Flexible mortgages: The flexible products are lines of credit that allow the borrowers to:

» Make further drawings up to a maximum credit limit defined at origination. Each additional drawdown is always subject to Bankinter's approval and can have a maturity up to 10 years but never exceeding the maturity date of the first drawdown.

» Extend the maturity of the loan up to 40 years. No extensions are possible during the first two years but after this, the debtor can extend the mortgage loan by six months for each full year that has already been amortised.

» Request up to three months of payment holiday per year up to a maximum of 12 months in each 10 years period during the life of the loan. In the first instalment after the holiday payment period, the borrower has to repay in full the interest accrued and not paid during the period.

Eligibility criteria: The key eligibility criteria are as follows:

» The final maturity date is not later than March 2048.

» The mortgage certificates exist and are valid and enforceable.

» The mortgage certificates are all denominated and payable exclusively in euros.

» The mortgaged properties are all finished and located in Spain and have been appraised by duly qualified institutions approved by the Bank of Spain.

» None of the mortgage certificates have any payments more than one month overdue at the transaction's closing date.

» The originator has strictly adhered to the current policies in force for granting credit when allocating each of the mortgage certificates.

» Each mortgage certificate must be registered in the relevant property registry.

» All borrowers are individuals (no companies).

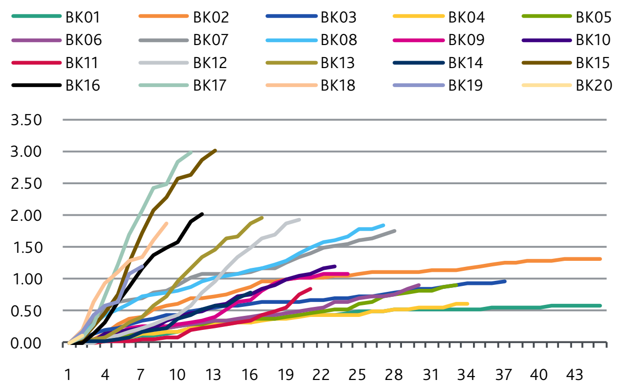
Credit Analysis

Precedent transactions' performance:

The performance of the originator's previous transactions in this sector are within Moody's expectations and better than the sector average.

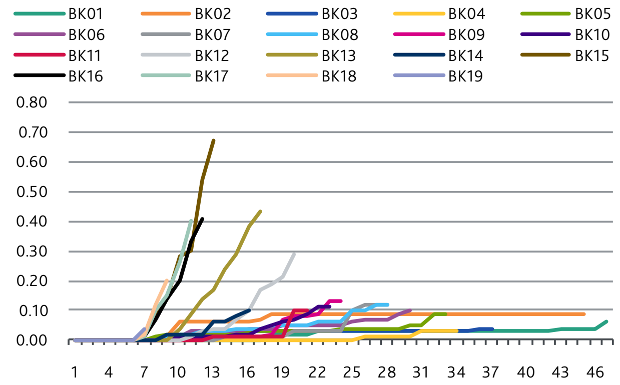
The Charts below show the cumulative 90-day arrears and cumulative default by seasoning quarter for the current 19 Bankinter transactions. The recovery rate from 90-day arrears is also indicated. To date, Bankinter transactions have been some of the best performers within the Spanish RMBS sector, showing levels of delinquencies well below the average for the rest of the market.

CHART 8
Cumulative 90-Day Arrears for Bankinter Transactions



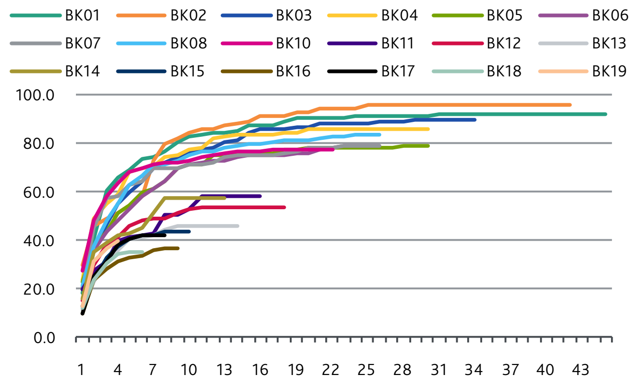
Source: Europea de Titulizacion

CHART 9
Cumulative Default for Bankinter Transactions



Source: Europea de Titulizacion

CHART 10
Recovery of 90-Day Arrears by Quarter



Source: Europea de Titulizacion

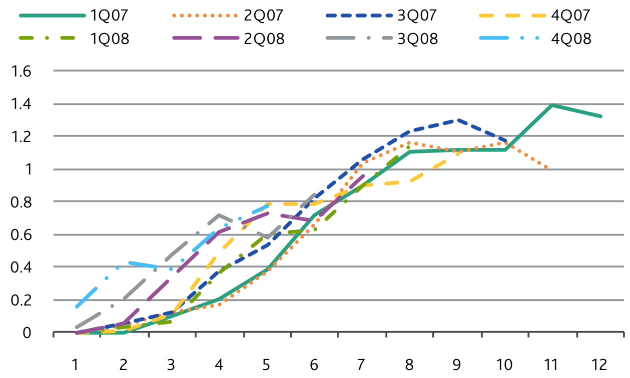
Data quantity and content: Bankinter has provided historical information on delinquencies, prepayments and recoveries with respect to former securitisation funds with flexible products in the portfolios.

However, Moody's has received insufficient data from the originator book of residential mortgages (90-day arrears for the most recent vintages only). Since most of the originator's book has been securitised, however, data from previous securitisations provides a good representation of Bankinter total book performance.

Bankinter has provided information on 90-day arrears for vintages originated in 2007 to 2008 (50% of the outstanding portfolio).

In Moody's view, the quantity and quality of data received is still adequate compared to transactions that have achieved high investment grade ratings in this sector.

CHART 11
90-Day (%) Arrears Vintage Data from Originator's Book



Source: Bankinter

Assumptions and definitions: Other values within a range of the notional amount listed below may result in achieving the same ratings.

Assumptions	
Spread compression / Margin analysis	50% of the assumed CPR comes from repayment of high interest rate loans. The other 50% is from repayment of loans with average interest rates.
Stressed Fees	0.30% p.a.
Definitions	
WA asset margin at closing	0.54% p.a.
Asset reset date	N/A
Liabilities reset date	Quarterly
Interest on cash	Three-month Euribor
Actual fees	Data not provided
PDL definition	On default
Default definition	18-month arrears

The spread in the deal will depend on the actual average margin paid from the portfolio. Moody's has applied a margin compression taking into consideration the current margins paid by each mortgage loan, and assuming the effect that prepayments and renegotiations will have on the portfolio margin throughout the life of the deal. Bankinter is allowed to renegotiate the margin of any loan as long as the weighted average margin of the portfolio is above 35 bps.

Expected loss: Expected loss for this transaction was obtained by projecting the historical delinquency trends and benchmarking with previous Bankinter transactions and other peer Spanish RMBS transactions, taking into account the differences in the characteristics of the pool.

Modelling Approach:

Loss distribution: The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses a continuous distribution, the lognormal distribution, to approximate the loss distribution.

In order to determine the shape of the curve, two parameters are needed: (i) the expected loss; and (ii) the volatility around this expected loss. These parameters are derived from two important sources: (i) historical loss data; and (ii) the loan-by-loan model.

Moody's uses performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples include market and sector-wide performance data, the performance of other securitisations, and other originators' data.

To obtain the volatility under "stressed" scenarios, Moody's takes into account historical data. However observed historical volatility may not be significant (given insufficient data points, or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, Moody's determines a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with Aaa under highly stressed conditions. This enhancement number (the "MILAN Aaa CE" number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as LTV or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted-average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN Aaa CE number.

Modelling assumption: The MILAN 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 expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

Tranching of the Notes: Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of structural features of the transaction. It calculates the average lives and the losses experienced by the notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted-average lives for the notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche together with the notes' weighted-average life determines the rating, which is consistent with Moody's target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

» The characteristics of the mortgage pool backing the notes

» The relative roll-rate levels and arrears in this type of lending compared to conventional lending

» Sector-wide and originator specific performance data

» Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool

» The roles of the swap and hedging providers

» The legal and structural integrity of the issue

The uncertainty derived from systemic risk and deteriorating economic environment in Spain resulted in a MILAN Aaa CE in excess of that which would be driven by the model outcome.

Treatment of Concerns:

Flexible mortgages: 17.0% of the portfolio are lines of credit (see "Collateral Description"). Moody's has determined the severity and default probability based on the maximum drawable amount. In addition, a 25% adjustment on the default probability of these loans has been applied to account for the additional risk of payment shocks due to payment holidays.

Commercial properties: 5.3% of the portfolio is backed by non-residential properties (commercial use). Moody's has applied additional stresses on the property values for these mortgage loans, on top of the house-price decline assumed for residential properties.

Origination channel: 8.1% of the portfolio corresponds to mortgage loans initiated by brokers that introduced the clients to Bankinter. Once the branch receives the mortgage application, the rest of the underwriting criteria are exactly the same as for Bankinter-originated loans. Moody's observes that the performance of broker-originated loans is worse than that of branch-originated loans in Spain. Moody's has introduced adjustments in MILAN to the credit enhancement to account for the greater risk profile of loans initially introduced by brokers or intermediaries.

Foreign borrowers: 10.2% of the portfolio corresponds to new residents who are non-Spanish nationals. For this kind of borrower, credit history checks are less standard and more complex, as Spanish banks may not have easy access to all the information relating to these borrowers. Moody's has introduced adjustments to its MILAN Aaa CE to account for the greater risk profile of these borrowers.

Legal responsibilities: 16.0% of mortgage loans in the pool are backed by more than one property. Moody's identifies two risk associated with these loans:

» The recourse to each property is limited to a certain percentage (the legal responsibility of each loan). For example, if a mortgage loan of €100 (legal responsibilities) is backed by a first property with an appraisal value of €100, the legal responsibility over this property is 80%. However, for a second property with an appraisal land value of €100 the legal responsibility is 20%. After auction, the bank recovers €60 for the first property and €40 for the second property. The total recovery is capped at 60 + 20 with legal responsibilities. The rest of the money belongs to the debtor, and therefore the bank would have to pursue them for the rest of the debt (in Spain the banks have full-recourse against debtors).

» In addition, as the mortgage loans amortise, the debtor may liberate the mortgage on the second home, which may cause the LTV ratio to revert to its initial level. However, the cancellation of the second property is not automatic as the debtors have to ask for the cancellation of the additional legal responsibility.

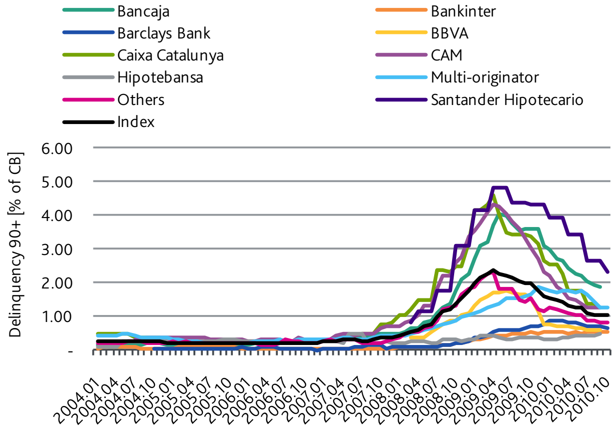
To mitigate these problems, Moody's has adjusted the LTV calculation for those loans taking into consideration the valuation and legal liability on each single property provided by Bankinter.

Benchmark Analysis

Performance relative to sector: In Moody's view, the historical performance of 90-day+ delinquencies and defaults of the 20 previous Bankinter transactions compares positively to other transactions in this sector. Within its peer group of Spanish transactions, Bankinter transactions are some of the best performers.

CHART 12

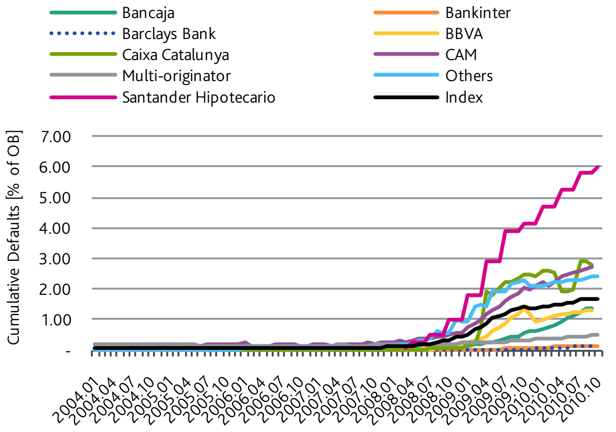
90-Day+ Delinquencies



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

CHART 13

Default Trends



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

Benchmark Table Best practice:

Deal Name	Bankinter 17	Bankinter 20	Bankinter 19	Rural Hipotecario XII	IM BCG RMBS 1
Closing Date	12 June 2008	12 July 2010	29 April 2009	06 November 2009	05 November 2009
Information From	Outstanding pool as of 31 Dec 2010	Provisional pool as of 15 May 2010	Definitive pool as of closing	Definitive pool as of 4 November 2009	Definitive pool as of 29 October 2009
Originator	BANKINTER	BANKINTER	BANKINTER	16 SPANISH RURAL SAVING BANKS	BANCO CAIXA GERAL
Servicer	BANKINTER	BANKINTER	BANKINTER	16 SPANISH RURAL SAVING BANKS	BANCO CAIXA GERAL
MILAN Aaa CE	6.4%	6.0%	4.4%	8.0%	6.6%
EL	1.5%	1.2%	1.1%	2.0%	1.7%
PORTFOLIO STRATIFICATION					
Avg. Current LTV	51.3%	54.3%	53.6%	63.7%	62.7%
% Current LTV > 70%	16.7%	25.9%	23.0%		
% Current LTV > 80%	5.2%	4.7%	4.2%	10.2%	0.0%
% Current LTV > 90%	2.0%	1.8%	1.5%		0.0%
Avg. Current LTV Indexed*	56.8%	54.3%	48.2%	62.5%	61.4%
% Self Employed	21.9%	15.0%	5.8%	24% (14% no data on employment)	No data provided
% Non-owner Occupied (Includes: Partial Owner)	24.5%	16.1%	19.0%	7.0%	5.4%
% in Arrears	6.3%	3.4%	0.0%	9.2%	1.50%
Max Regional Concentration	Valencia (19%)	Madrid (27%)	Madrid (22%)	Castilla La Mancha (33%)	Galicia (26%)
Foreign Nationals	10.2%	4.0%	6.7%	4.0%	1.70%
Broker Originated	8.1%	6.3%	6.6%	0.0%	0.00%
PORTFOLIO DATA					
Current Balance	€ 815,317,641	€ 1,824,350,341	€ 1,650,001,085	€ 910,099,987	€ 400,000,000
Average Loan (Borrower)	€ 135,550	€ 115,065	€ 111,675	€ 110,395	€ 113,540
Borrower Top 20 (as % of Pool Bal)	1.8%	1.7%	1.8%	0.9%	1.9%
WA Interest Rate at Cut-off	1.82%	2.13%	4.9%	3.2%	2.5%
Stabilised Margin**	N/A	N/A	N/A	N/A	N/A
Average Seasoning (in Years)	4.3	3.5	3.2	2.9	2.7
Average Time to Maturity (in Years)	23.8	23.2	24.4	24.6	30.2
Maximum Maturity Date	Mar-48	Mar-50	Sep-48	10-Nov-49	30-Dec-53
Average House Price Stress Rate***	45.07%	45.26%	45.3%	45.0%	41.7%
Average House Price Change*	-5.87%	-0.05%	7.1%	1.9%	2.1%
STRUCTURAL FEATURES					
Notes Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Replenishment Periods	None	None	None	None	None
Total Aaa Size§	94.15%	100%	96.84%	94.75%	97.00%
RF at Closing§§	2.3%	8%	3.20%	4.60%	4.50%
RF Fully Funded at Closing?	Yes	Yes	Yes	Yes	Yes
RF Floor §§	1.15%	4%	1.60%	2.30%	2.25%
Hedge in Place	Yes	Yes	Yes	Yes	Yes
Swap Rate or Guaranteed XS (if applicable)	No	No	No	0 bppa (basis swap)	30 bppa (swap on notes)
Principal to Pay Interest?	Yes	Yes	Yes	Yes	Yes

* As per Moody's calculation.

** Margin after all loans reset

*** As per Moody's Milan methodology for Aaa scenario

§ As per Moody's calculation

§§ Of original note balance

Parameter Sensitivities

Parameter sensitivities provide a quantitative, model-indicated calculation of the number of notches by which a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis, which assumes that the deal has not aged, is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary. For more information on V score and parameter sensitivity methodology for RMBS, please refer to "V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors", published in April 2009.

To calculate the parameter sensitivities for this transaction, Moody's assumed 16 loss distributions derived from the combinations of: (i) MILAN Aaa CE: 6.4% (base case), 7.1% (base x 1.1), 7.7% (base x 1.2) and 8.3% (base x 1.3); and (ii) expected loss: 1.5% (base case), 2.3% (base x 1.5), 3.0% (base x 2) and 4.5% (base x 3). The 1.5% / 6.4% scenario would represent the base case assumptions used in the initial rating process.

The tables below show the parameter sensitivities for this transaction with respect to all Moody's-rated tranches.

TABLE 2*
Class A

		MILAN Aaa CE Output			
		6.4%	7.1%	7.7%	8.3%
Median Expected Loss	1.5%	**Aa1***	Aa1 (0)	Aa2 (1)	Aa3 (2)
	2.3%	Aa1 (0)	Aa2 (1)	Aa3 (2)	A1 (3)
	3.0%	Aa1 (0)	Aa3 (2)	A1 (3)	A2 (4)
	4.5%	Aa2 (1)	A2(4)	A3 (5)	Baa1 (6)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

TABLE 3*
Class B

		MILAN Aaa CE Output			
		6.4%	7.1%	7.7%	8.3%
Median Expected Loss	1.5%	**Ba1***	Ba1 (0)	Ba1 (0)	Ba2 (1)
	2.3%	B2 (4)	B2 (4)	B2 (4)	B2 (4)
	3.0%	<B3 (>6)	<B3 (>6)	<B3 (>6)	<B3 (>6)
	4.5%	<B3 (>6)	<B3 (>6)	<B3 (>6)	<B3 (>6)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Worst case scenarios: At the time the rating was assigned, the model output indicated that the note would have achieved a Aa1rating even if MILAN Aaa CE were as high as 7.1%, assuming expected losses remained at or below 1.5% and all other factors remained the same. The model output further indicated that the class A note would not have achieved Aa1 with a MILAN Aaa CE of 7.7% and expected loss of 1.5%.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it 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.

Originator linkage: The originator will act as servicer, swap counterparty, issuer account bank and paying agent. There are triggers in place to allow for the replacement of all the functions above.

Significant influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings:

» Further deterioration in the real estate market beyond the recovery lag and modelled stress.

» A higher-than-expected rise in unemployment rates

» A reversion to a high interest rate environment, which would further reduce borrower affordability

Counterparty Rating Triggers	Condition	Remedies
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Issuer Account Bank	Loss of P-1	Replace or obtain guarantor
Collection Account Bank	Loss of P-1 Loss of Baa3	Daily sweeping Establish commingling reserve or credit line
Paying Agent	Loss of P-1	Replace or obtain guarantor
Servicer	Loss of Baa3	Appoint back-up servicer

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, October 2010

Loan repurchase following breach of representations and warranties (R&W):

» No check on default

Monitoring Report:

Data quality:

» Investor report format finalised and discussed with Moody's analyst.

» The report includes all necessary information for Moody's to monitor the transaction.

» Undertaking to periodically provide Moody's with updated pool cut.

» Loan conversions are not reported in the investor reports.

Data Availability:

» Report provided by: Europea de Titulización S.G.F.T

» The timeline for the monthly investor report is provided in the transaction documentation.

» Investor reports are publicly available on the management company website.

» As of today there is no commitment by the management company to periodically provide Moody's with an updated pool cut.

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:

Methodology Used:

» Moody's Updated Methodology for Rating Spanish RMBS, October 2009 (SF133138)

» Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)

» V Scores and Parameter Sensitivities in the Major EMEA RMBS Subsectors, April 2009 (SF158654)

Company Profile:

» Bankinter, April 2010 (124162)

Credit Opinion:

» Bankinter

Performance Overview of previous deals from the same originator:

» Bankinter 19, January 2011 (SF234188)

» Bankinter 18, November 2010 (SF226504)

Special Reports:

» Investor/Servicer Reports: Important Considerations for Moody's Surveillance of EMEA ABS and RMBS Transactions, June 2009 (SF154502)

» Recovery Trends in Spanish RMBS, March 2010 (SF190107)

» Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)

Index:

» Spanish Prime RMBS Indices, November 2010 (SF233600)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

» contacts continued from page 1

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Report Number: SF235012

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