BANKINTER 9, Fondo de Titulización de Activos

Bankinter
RMBS
Spain

CLOSING DATE:
February 8th 2005

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PLEASE NOTE: *This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of January 2005. 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.*

RATINGS

Class	Rating	Amount	% of Total	Legal Final Maturity	Maturity Expected
A1 (P)	(P)**Aaa**	€[66.600.000]		16/07/42	16/07/06
A2 (P)	(P)**Aaa**	€[656.000.000]		16/07/42	
B (P)	(P)**A2**	€[15.300.000]		16/07/42	
C (P)	(P)**Baa3**	€[7.100.000]		16/07/42	
A1 (T)	(P)**Aaa**	€[21.600.000]		16/07/42	16/07/06
A2 (T)	(P)**Aaa**	€[244.200.000]		16/07/42	
B (T)	(P)**A1**	€[17.200.000]		16/07/42	
C (T)	(P)**Baa1**	€[7.000.000]		16/07/42	
Total		€[1.035.000.000]	100%		

The ratings address the expected loss posed to investors by the legal final maturity. The structure allows for timely payment of interest and ultimate payment of principal at par on or before the 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

- Strong originator & underwriting criteria
- Strong collateral
- Basis swap provided by Bankinter (**Aa3**/**P-1**)
- Excess spread-trapping mechanism through an 18 months "artificial write-off" mechanism
- Strong performance and track record on previous Bankinter deals
- 100% of the loans are paid via direct debit and through monthly instalments

Weaknesses and Mitigants

- There is a sub pool which comprises high LTV loans – thus increasing the probability of default for this subpool
- Very low margin on the loans – hence a very limited excess spread in the structure (this is mitigated by the size of the RF in both subpools)
- Pro-rata amortisation of the B and C Series of notes on both subpools leads to reduced credit enhancement of the senior series in absolute terms. This is mitigated by strict triggers which terminate the pro-rata amortisation of the notes as the performance of the transaction deteriorates.

STRUCTURE SUMMARY	
Issuer:	Bankinter 9 Fondo de Titulización de Activos
Structure Type:	Spanish Fondo de Titulización de Activos (FTA)
Borrower:	Bankinter (**Aa3**/**P-1**)
Seller/Originator:	100%
Servicer:	16 April, 16 July, 16 October, 16 January
Back-up Servicer:	Quarterly on each payment date
Interest Payments:	Pass-through on each payment date
Principal Payments:	Transaction Spread
	Reserve fund (1.00% RF on subpool “P”, 2.70% RF on subpool “T”)
	Subordination of the notes
Credit Enhancement/Reserves:	Basis swap
Liquidity Facility:	Bankinter
Hedging:	Bankinter
[Fiscal Property Advisor]:	Europea de Titulización S.G.F.T, S.A
Principal Paying Agent:	Europea de Titulización S.G.F.T, S.A
Security Trustee:	Bankinter
Note Trustee:	Europea de Titulización S.G.F.T, S.A
Arranger/Lead Manager:	Bankinter

COLLATERAL SUMMARY	***POOL “P” – Participaciones Hipotecarias***
Outstanding Balance:	793.849.170,36
Number of Contracts:	7735
Number of Borrowers:	7735
Type of Mortgage:	First Lien Residential Mortgage
Geographic Diversity:	Madrid (22.95%), Comunidad Valenciana (18.20%), Catalonia (16.21%)
Average LTV:	58.94% (63.99% based on OLTV)
Remaining Term:	279.53 months
Seasoning:	19.32 months
Delinquency Status:	No loans in arrears at closing

COLLATERAL SUMMARY	***POOL “T” – Certificados de Transmision de Hipoteca***
Outstanding Balance:	316.490.124,67
Number of Contracts:	2046
Number of Borrowers:	2046
Type of Mortgage:	First Lien Residential Mortgage
Geographic Diversity:	Madrid (29.57%), Catalonia (24.24%), Andalucia (11.49%)
Average LTV:	88.23% (91.66% based on OLTV)
Remaining Term:	339.91 months
Seasoning:	18.35 months
Delinquency Status:	No loans in arrears at closing

Class	Note Reference Rate	Note Margin
A1 (P)	3m Euribor	[0.05%-0.15%]
A2 (P)	3m Euribor	[0.08%-0.22%]
B (P)	3m Euribor	[0.35%-0.55%]
C (P)	3m Euribor	[0.70%-1.20%]
A1 (T)	3m Euribor	[0.05%-0.15%]
A2 (T)	3m Euribor	[0.08%-0.22%]
B (T)	3m Euribor	[0.35%-0.55%]
C (T)	3m Euribor	[0.70%-1.20%]

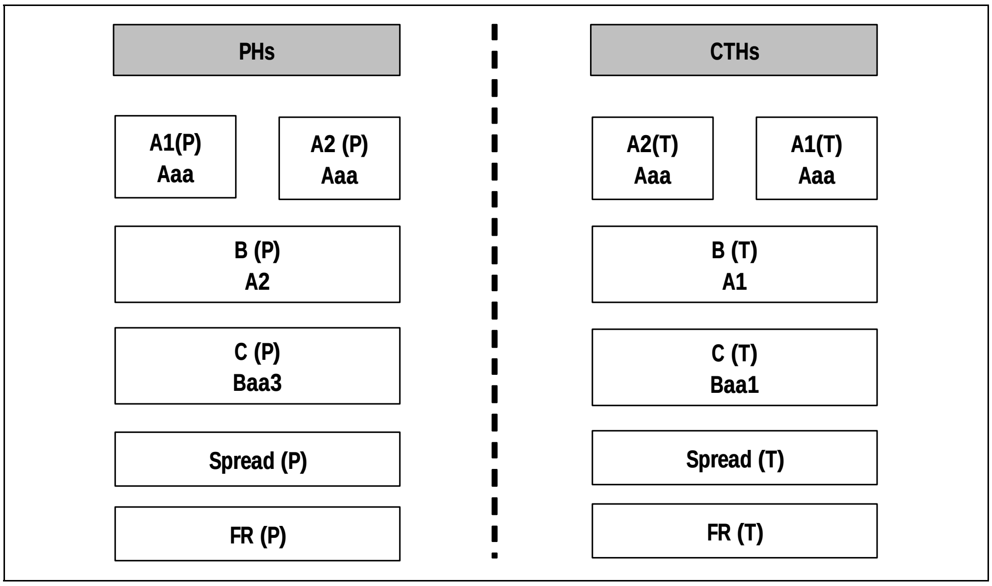
Structural and Legal Aspects

First Bankinter Mixto Structure: 2 separated sub-pools, one with high LTVs and two with LTVs <80%

Bankinter 9 FTA, represents the ninth BK issuance but the first one with a structure where the mortgage collateral is divided into 2 distinct and completely separate subpools – one subpool will contain all the loans with an LTV lower than 80% while the other subpool will contain all the high LTV loans. The structural mechanisms for both subpools will be completely independent for each subpool and no cross collateralization will occur.

Structurally, the transaction consists of 3 tranches on each subpool, although, it is worth to note that the senior tranche is divided into 2 subtranches – one consisting of a bullet payment bond with an estimated payment on July 2006. The notes amortisation will be sequential from the beginning but switching to prorata once the different tranches represent double the outstanding balance under Series A, B and C, and subject to some rating triggers. This prorata amortisation will turn fully sequential again subject to certain triggers.

Structural Diagram



Payment Waterfall – traditional waterfall and…

On each quarterly payment date, the Fondo's available funds (principal received from the asset pool, the Reserve Fund, amounts received under the swap agreement and interest earned on the transaction accounts) will be applied in the following simplified order of priority (for each subpool):

1) Cost and fees, excluding servicing fee (except in the case in which Bankinter is replaced as servicer of the loans)
2) Any amount due under the swap agreement (except termination payments if Bankinter defaults under the swap agreement)
3) Interest payment to Series A
4) Interest payment to Series B notes (if not deferred)
5) Interest payment to Series C notes (if not deferred)
6) Retention of an amount equal to the principal due under the notes
7) Replenishment of the reserve fund
8) Interest payment to Series B notes (if deferred)
9) Interest payment to Series C notes (if deferred)
10) Termination payments under the swap agreement upon default of Bankinter
11) Junior expenses

Newly incorporated post enforcement waterfall

Interesting to note as well that this is the among the first transactions in Spain which has an alternative post – enforcement/liquidation waterfall, as follows:

1) Reserve to be used for liquidation costs and expenses or servicing fee should Bankinter had been replaced from its duties as servicer
2) Any amount due under the swap agreement (except termination payments if Bankinter defaults under the swap agreement)
3) Interest payment to Series A1 and A2

4) A1 Principal and A2 Principal
5) Interest payment to Series B notes
6) B Principal
7) Interest payment to Series C notes
8) C Principal
9) Termination payments under the swap agreement upon default of Bankinter
10) Junior expenses

The payment of interest on the Series B and C notes will be brought to a more junior position if on a payment date the following criteria are met:

Series B	Series C
a)The principal deficiency exceeds 50% of the initial balance of Series B plus 100% of the initial balance of Series C	a) The principal deficiency exceeds 50% of the initial balance of Series C
b) Series A is not fully redeemed	b) Series A and Series B are not fully redeemed

Interest Deferral Mechanism subject to triggers

The transaction structure for series A, B and C benefits from an "artificial write-off", which traps available excess spread to cover losses (if any). This type of "artificial write-off" is hidden in the definition of principal due, which is the difference between the notes outstanding and the outstanding principal balance of the loans (performing loans plus loans less than 18 months in arrears).

18 Month Artificial Writeoff mechanism

As in the most recent Bankinter transactions, this transaction also includes pro-rata amortisation. Pro-rata amortisation entails risk as opposed to fully sequential transactions, given that the credit enhancement decreases in absolute terms. The risks introduced by pro rata amortisation are mitigated by the following triggers:

- Series B(P) and Series C(P) Notes will start amortising pro rata with the Series A (P) notes when they represent 4.107% of the outstanding balance under the Series A (P), B (P) and C (P) notes, and when Series C (P) represents 1.906% of the outstanding balance under the Series A (P), B (P) and C (P) notes
- Series B (T) Notes will start amortising pro rata with the Series A (T)and B (T) notes when they represent 11.862% of the outstanding balance under Series A (T), B (T) and C (T) notes, and when Series B (T) represents 4.828% of the Series A (T), B (T) and C (T) notes

Notes can amortise pro-rata following some conditions

However, the pro rata amortisation will cease if:

For Class B -

The outstanding amount of loans more than 90 days but less than 18 months past due is higher than 1.50% of the outstanding amount of the asset pool (current loans less the loans that are less than 18 months in arrears)
The amount under the reserve fund is not equal to the then current required amount.

For Class C –

The outstanding amount of loans more than 90 days but less than 18 months past due is higher than 1.00% of the outstanding amount of the asset pool (current loans less the loans that are less than 18 months in arrears)

The 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.

Bankinter will provide the reserve fund. At every point in time the required amount to be available under the reserve fund will be the lesser of the following amounts:

For class (P)

1) 1.00% of the initial balance of the notes
2) The higher of the following amounts:
   - 2.00% of the outstanding notional balance of the notes
   - 0.50% of the initial amount of the nominal balance of the notes

The reserve fund will be used to protect all notes against interest and principal shortfall on an ongoing basis. The reserve fund may start to amortise once it represents 2.00% of the outstanding amounts under all notes; the reserve fund floor has been set at 0.50% of the initial issuance. Amortisation of the reserve fund will cease if either of the following scenarios occurs:

The amount of loans more than 3 months and less than 18 months in arrears exceeds 1.00% of the outstanding balance of the portfolio (current loans and those less than 18 months in arrears)

Reserve Fund functioning & Triggers: 2 separate RFs for each subpool

If the available amount under the reserve fund is not equal to the then required amount

In any case, the RF won't amortise during the first 3 years since the constitution of the Fund.

For class (T)

1) 2.70% of the initial balance of the notes
2) The higher of the following amounts:
   - 5.40% of the outstanding notional balance of the notes
   - 1.35% of the initial amount of the nominal balance of the notes

The reserve fund will be used to protect all notes against interest and principal shortfall on an ongoing basis. The reserve fund may start to amortise once it represents 2.00% of the outstanding amounts under all notes; the reserve fund floor has been set at 1.35% of the initial issuance. Amortisation of the reserve fund will cease if either of the following scenarios occurs:

The amount of loans more than 3 months and less than 18 months in arrears exceeds 1.00% of the outstanding balance of the portfolio (current loans and those less than 18 months in arrears)

If the available amount under the reserve fund is not equal to the then required amount

In any case, the RF won't amortise during the first 3 years since the constitution of the Fund.

Basis Swap functioning

The transaction includes a basis swap by which the index reference rates on the assets are exchanged against the index reference rate on the notes.

COLLATERAL – REFERENCE PORTFOLIO

Good Quality Collateral: High LTV Portfolio has max.C LTV levels of 98.79%

SUB POOL 1 - BELOW 80%

Collateral characteristics:

AMOUNT	793.85 mill Euros
Number of loans	7735
Avg loan/borrower	102,630
Top 20 exposures	1.34%
Weighted Average ("WA") Margin	45 basis points ("bps")
WA Coupon	2.89%
WA LTV	58.94%
WA Seasoning	19.32 months
WA Remaining Term	279.53 months
Regional Diversification	Madrid (22.95%), Cataluna (16.21%), Comunidad Valenciana (18.20%), Pais Vasco (9.01%), Andalucia (10.42%)

SUB POOL 2 - ABOVE 80%	
Collateral characteristics:	
AMOUNT	316.49 mill Euros
Number of loans	2046
Avg loan/borrower	154,687
Top 20 exposures	2.88%
Weighted Average ("WA") Margin	45 basis points ("bps")
WA Coupon	2.88%
WA LTV	88.23%
WA Seasoning	18.35 months
WA Remaining Term	339.91 months
Regional Diversification	Madrid (29.57%), Cataluna (24.24%), Pais Vasco (6.94%), Andalucia (11.49%)

Any renegotiation of the terms and conditions of the loans is subject to the *gestora*'s approval. Exceptionally, the *gestora* may authorise the originators to renegotiate the interest rate or the maturity of the loans subject to the following conditions:

If the weighted average margin of the loans is less than 0.45%, the originator has agreed to pay the fund, for each revised participated loan, the modified margin until the loan is repaid. However, no additional renegotiations are allowed once the weighted average margin on the loans falls below 0.35%.

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. In any case, the extension of any loan´s maturity profile must comply with the following standards:

The maturity of any loan cannot be postponed later than July 2045

- The frequency of payments cannot be decreased.
- The repayment system cannot be modified.

ORIGINATOR, SERVICER AND DUE DILIGENCE

Very strong originator in Spain

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

LBL modelling

In order to analyse the risk of the transaction and to assess the size of the credit enhancement consistent with the rating assigned, Moody's adopts a three-part focus in its analysis:

Collateral Analysis - Although Moody's does not believe that any predetermined model can accurately reflect all of the possible risk factors and combinations within the Spanish mortgage market, a quantitative-based (Loan-by-Loan) model has been developed to assist in the analysis of mortgage loans under various conditions. Under the Loan-by-Loan approach, Moody's calculates an enhancement level for each loan in the pool to be securitised in the following four ways:

- Deriving a *benchmark credit enhancement numbe*r based on its loan-to-property value ratio (LTV). This number assumes that all of the characteristics of the loan (other than LTV) are identical with those of a good-quality *benchmark loan*.
- Assumptions: In the Loan-by-Loan model, a benchmark credit enhancement figure is obtained by taking into account each loan's current LTV level, and by penalising or benefiting any parameter that on aggregate may shift from our benchmark loan assumption. The model takes into account the following severity of loss assumptions: (1) house price decline is 30%, (2) interest rates going up to 8%, (3) 27 months required to sell a property, and (4) 7% costs associated with the sale of the property. High interest rates affect the affordability, but also increase the severity over the period in which repossession takes place.
- Modifying the resultant benchmark credit enhancement number for each loan so as to reflect how the individual characteristics of that loan differ from those of a benchmark loan. The weighted average benchmark credit enhancement number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the "Aaa credit enhancement" number.

The Aaa credit enhancement number is the basis of committee discussions and is used to derive the lognormal distribution of losses of the pool.

Having obtained the loss distribution of the pool under consideration, a cash flow model is used to assess the impact of structural features of the transaction, such as the priorities of interest and principal, reserve fund and the value of excess spread.

The sum of the loss experience per class of notes weighted by the probability of such a loss scenario will then determine the expected loss on each tranche and hence the rating, consistent with Moody's target losses for each rating category.

Structural Analysis: This considers how the cash flows generated by the mortgage collateral are allocated to the parties within the transaction, and the extent to which various structural features of the transaction may provide additional protection to investors, or act as a source of risk themselves.

Legal Analysis: Moody's considers whether the legal documents ensure that the cash flows are allocated to the assumptions made in its structural analysis.

For more information regarding Spanish MBS rating methodology refer to Moodys.com – Spanish Residential Mortgage-Backed Securities, An Introduction to Moody's Rating Approach".

RATING SENSITIVITIES AND MONITORING

Very experienced management company

Europea de Titulización, S.G.F.T, S.A, in its capacity as management company, will prepare quarterly monitoring reports with respect to the portfolio and payments to the notes. These reports will detail the amounts received by the issuer during each collection period and will provide portfolio data. Moody's will monitor this 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 to the rating will be publicly announced and disseminated through Moody's Client Service Desk. For updated monitoring information, please contact monitor.madrid@moodys.com.

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:

- RATING METHODOLOGY: Spanish Residential Mortgage-Backed Securities, An Introduction to Moody's Rating Approach, July 2001
- SPECIAL REPORT: Introducing Moody's Arrears Index for Spanish Mortgage-Backed Securities – Overall Credit Quality of Spanish RMBS Transactions Remains Strong, According to New Index, March 2002
- SPECIAL REPORT: Moody's Spanish RMBS Arrears Index Delinquency Levels Remained Persistently Low in 2002 but Are Likely to Rise Given Weakening Global Economy and Factors Affecting Homeowners' Indebtedness, May 2003
- SPECIAL REPORT: Structural Features in the Spanish RMBS Market – Artificial Write-Off Mechanisms: Trapping the Spread, January 2004
- BANKINTER 1 Pre-sale report + Performance Overview
- BANKINTER 2 Pre-sale report + Performance Overview
- BANKINTER 3 Pre-sale report + Performance Overview
- BANKINTER 4 Pre-sale report + Performance Overview
- BANKINTER 5 Pre-sale report + Performance Overview
- BANKINTER 6 Pre-sale report + Performance Overview
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- BANKINTER 8 Pre-sale report + Performance Overview

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