



STANDARD & POOR'S RATINGS SERVICES

McGRAW HILL FINANCIAL

Ratings Raised In Spanish RMBS Transaction Bankinter 11 Following Sovereign Upgrade

26-Jan-2016 05:20 EST

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OVERVIEW

On Oct. 2, 2015, we raised to 'BBB+' from 'BBB' our long-term rating on Spain.

On Oct. 30, 2015, we consequently placed on CreditWatch positive our ratings on certain classes of Spanish RMBS and ABS notes that could be affected by this upgrade, including our ratings on Bankinter 11's class A2 and B notes.

Following the application of our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating, we have today raised and removed from CreditWatch positive our ratings on Bankinter 11's class A2 and B notes.

Bankinter 11 is a Spanish RMBS transaction, which closed in December 2005.

MADRID (Standard & Poor's) Jan. 26, 2016--Standard & Poor's Ratings Services today raised and removed from CreditWatch positive its ratings on Bankinter 11 Fondo de Titulizacion Hipotecaria's class A2 and B notes (see list below).

Today's upgrades follow our Oct. 2, 2015 raising to 'BBB+' from 'BBB' of our long-term sovereign rating on Spain and the application of our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria; see "[Kingdom of Spain Upgraded To 'BBB+' On Reforms; Outlook Stable](#)," published on Oct. 2, 2015, and "[Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance](#)," published on May 29, 2015).

On Oct. 30, 2015, we placed on CreditWatch positive our ratings on certain classes of Spanish residential mortgage-backed securities (RMBS) and asset-backed securities (ABS) notes that could be affected by our upgrade of Spain, including our ratings on Bankinter 11's class A2 and B notes (see "[Ratings On 88 Spanish RMBS And ABS Tranches Placed On CreditWatch Positive Following Sovereign And Bank Rating Actions](#)").

We have also applied our Spanish RMBS criteria as part of our credit and cash flow analysis and our current counterparty criteria (see "[Italy And Spain RMBS Methodology And Assumptions](#)," published on Sept. 18, 2014, and "[Counterparty Risk Framework Methodology And Assumptions](#)," published on June 25, 2013).

Under our RAS criteria, we have applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

These criteria designate the country risk sensitivity for RMBS as moderate. The transaction's notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a severe stress. However, if all six of the conditions in paragraph 44 of our RAS criteria are met, we can assign ratings up to a maximum of six notches (two additional notches of uplift) above the sovereign rating, subject to

credit enhancement being sufficient to pass an extreme stress (see "[Understanding Standard & Poor's Rating Definitions](#)," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

Following the application of our RAS criteria, our RMBS criteria, and our current counterparty criteria, we have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating that the class of notes can attain under our RMBS criteria, and (iii) the rating as capped by our current counterparty criteria.

We consider the performance of Bankinter 11 to be stable since our previous performance review (see "[Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 3, 4, 6, 11, And 13 Following Criteria Updates](#)," published on Feb. 18, 2015). Severe delinquencies of more than 90 days are at 1.24% of the current non-defaulted collateral balance, compared with 1.29% in our previous review.

Our credit and cash flow analysis indicates that the available credit enhancement for the class A2 notes is sufficient to support a 'AAA (sf)' rating. However, our RAS criteria cap our rating on this class of notes at 'AA+ (sf)'. We have therefore raised to 'AA+ (sf)' from 'AA (sf)' and removed from CreditWatch positive our rating on the class A2 notes.

Our credit and cash flow analysis indicates that the available credit enhancement for the class B notes is sufficient to support a 'AA- (sf)' rating. However, our current counterparty criteria cap our rating on this class of notes at the 'A' long-term issuer credit rating on Credit Agricole Corporate and Investment Bank plus one notch, or 'A+ (sf)'. We have therefore raised to 'A+ (sf)' from 'A (sf)' and removed from CreditWatch positive our rating on the class B notes.

Our ratings on the class C and D notes are unaffected by today's rating actions as we currently rate these classes below our long-term sovereign rating on Spain.

Bankinter 11 is a Spanish RMBS transaction, which closed in December 2005 and securitizes first-ranking mortgage loans. Bankinter S.A. originated the pool, which comprises loans granted to prime borrowers secured over owner-occupied residential properties in Spain.

RELATED CRITERIA AND RESEARCH

Related Criteria

[Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance](#), May 29, 2015
[Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD](#), March 2, 2015
[Global Framework For Assessing Operational Risk In Structured Finance Transactions](#), Oct. 9, 2014
[Italy And Spain RMBS Methodology And Assumptions](#), Sept. 18, 2014
[Methodology Applied To Bank Branch-Supported Transactions](#), Oct. 14, 2013
[Assessing Bank Branch Creditworthiness](#), Oct. 14, 2013
[Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance](#), Sept. 13, 2013
[Counterparty Risk Framework Methodology And Assumptions](#), June 25, 2013
[Global Derivative Agreement Criteria](#), June 24, 2013
[Criteria Methodology Applied To Fees, Expenses, And Indemnifications](#), July 12, 2012

[Global Investment Criteria For Temporary Investments In Transaction Accounts](#), May 31, 2012
[Methodology: Credit Stability Criteria](#), May 3, 2010
[Use Of Creditwatch And Outlooks](#), Sept. 14, 2009
[Understanding Standard & Poor's Rating Definitions](#), June 3, 2009

Related Research

[Growth In Europe Is On Track, But Geopolitical Risks Have Risen](#), Dec. 2, 2015
[Eurozone Recovery: Hangin' In There Despite Weak Foreign Demand](#), Nov. 25, 2015
[Ratings On 88 Spanish RMBS And ABS Tranches Placed On CreditWatch Positive Following Sovereign And Bank Rating Actions](#), Oct. 30, 2015
[Kingdom of Spain Upgraded To 'BBB+' On Reforms; Outlook Stable](#), Oct. 2, 2015
[Eurozone Economic Outlook: Steady For Now, Despite Slower World Trade](#), Sept. 30, 2015
[Spanish RMBS Index Report Q2 2015: Index Composition Boosts Collateral Performance Slightly](#), Sept. 11, 2015
[2015 EMEA RMBS Scenario And Sensitivity Analysis](#), Aug. 6, 2015
[Low Lending Rates And Stronger Economic Growth Are Reviving Europe's Housing Markets](#), July 30, 2015
[Despite The Turmoil In Greece, Europe's Fragile Growth Continues](#), July 14, 2015
[Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 3, 4, 6, 11, And 13 Following Criteria Updates](#), Feb. 18, 2015
[Outlook Assumptions For The Spanish Residential Mortgage Market](#), Sept. 18, 2014
[European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors](#), July 8, 2014
[Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality](#), July 2, 2014

RATINGS LIST

Class	Rating
To	From

Bankinter 11 Fondo de Titulizacion Hipotecaria
 €900 Million Mortgage-Backed Floating-Rate Notes

Ratings Raised And Removed From CreditWatch Positive

A2	AA+ (sf)	AA (sf)/Watch Pos
B	A+ (sf)	A (sf)/Watch Pos

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