

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 10, 11, And 13

March 30, 2023

Ratings List

Class	To	From
Bankinter 10		
A2	AAA (sf)	AAA (sf)
B	AAA (sf)	AA+ (sf)
C	AA+ (sf)	AA (sf)
D	B- (sf)	B- (sf)
E	CCC- (sf)	CCC- (sf)
Bankinter 11		
A2	AAA (sf)	AAA (sf)
B	AAA (sf)	AAA (sf)
C	AA+ (sf)	AA (sf)
D	B- (sf)	B- (sf)
Bankinter 13		
A2	AAA (sf)	AAA (sf)
B	AAA (sf)	AAA (sf)
C	AA+ (sf)	AA (sf)
D	A (sf)	BBB (sf)
E	D (sf)	D (sf)

PRIMARY CREDIT ANALYST

Feliciano P Pereira, CFA
Madrid
+34 676 751 559
feliciano.pereira
@spglobal.com

RESEARCH CONTRIBUTORS

Swati Choudhary
CRISIL Global Analytical Center, an
S&P affiliate, Mumbai

Tanmay Saykhedkar
CRISIL Global Analytical Center, an
S&P affiliate, Mumbai

Vidhya Venkatachalam, CFA
CRISIL Global Analytical Center, an
S&P Global Ratings affiliate, Mumbai

Overview

- We reviewed Bankinter 10, 11, and 13 under our relevant criteria and raised our ratings on Bankinter 10's class B and C notes, Bankinter 11's class C notes, and Bankinter 13's class C and D notes.
- At the same time, we affirmed our ratings on Bankinter 10's class A2, D, and E notes, Bankinter 11's class A2, B, and D notes, and Bankinter 13's class A2, B, and E notes.
- Bankinter 10, 11 and 13, are Spanish RMBS transactions that closed in June 2005, December

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 10, 11, And 13

2005, and November 2006, respectively. They securitize first-ranking mortgage loans originated and serviced by Bankinter.

MADRID (S&P Global Ratings) March 30, 2023--S&P Global Ratings today raised its credit ratings on Bankinter 10, Fondo de Titulizacion de Activos's class B and C notes, Bankinter 11 Fondo de Titulizacion Hipotecaria's class C notes, and Bankinter 13, Fondo de Titulizacion de Activos's class C and D notes. At the same time, we affirmed our ratings on Bankinter 10's class A2, D, and E notes, Bankinter 11's class A2, B, and D notes, and Bankinter 13's class A2, B, and E notes (see list above).

Today's rating actions follow our full analysis of the most recent information that we have received on Bankinter 10, Bankinter 11, and Bankinter 13 and the transactions' current structural features, such as credit enhancement and reserve fund levels.

Arrears in all the three transactions are low, and below 1.5% of the current pool balance. Overall, delinquencies remain well below our Spanish RMBS index (see "Related Research").

After applying our global RMBS criteria, the main changes since our previous reviews are a marginal decrease of the expected losses (see "Related Research"). This is due to decreases in both the weighted-average foreclosure frequency (WAFF) assumptions and weighted-average loss severity (WALS) assumptions in each transaction (to the extent they are not already at the floor that we consider in our analysis). Across the three transactions, the decrease in the WAFF is mainly driven by a slight improvement in the overall arrears and a reduction in the effective loan-to-value (LTV) ratio, while the lower WALS reflects the seasoning of the assets, which supports a low indexed current LTV ratio.

Credit Analysis Results - Bankinter 10

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	6.04	2.00	0.12
AA	4.20	2.00	0.08
A	3.28	2.00	0.07
BBB	2.56	2.00	0.05
BB	1.79	2.00	0.04
B	1.25	2.00	0.03

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Credit Analysis Results - Bankinter 11

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	6.55	13.93	0.91
AA	4.73	10.31	0.49
A	3.83	5.37	0.21
BBB	3.11	3.43	0.11
BB	2.35	2.40	0.06
B	1.82	2.00	0.04

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Credit Analysis Results – Bankinter 13

Rating	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	8.09	4.62	0.37
AA	5.58	2.72	0.15
A	4.32	2.00	0.09
BBB	3.32	2.00	0.07
BB	2.26	2.00	0.05
B	1.53	2.00	0.03

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Since our previous reviews, Bankinter 10's class A2, B, C, and D notes' credit enhancement has increased to 17.8%, 13.6%, 8.9%, and 5.0%, from 14.6%, 11.1%, 7.3%, and 4.0%, respectively, as the transaction deleveraged. Similarly, Bankinter 11's class A2, B, C, and D notes' credit enhancement has increased to 19.0%, 13.4%, 7.9%, and 4.3%, from 14.4%, 10.3%, 6.2%, and 3.7%, respectively, as the transaction deleveraged. The reserve funds in both transactions are not at their target level (90.6% and 79.9% of target, respectively). Each transaction will continue to pay sequentially until its reserve fund is topped up to its required level.

Bankinter 13's class A2, B, C, and D notes' credit enhancement has increased to 12.8%, 9.9%, 6.8%, and 4.1%, from 11.2%, 8.3%, 5.2%, and 2.6%, respectively, as the transaction deleveraged. The reserve fund for this transaction is at its target level and so the transaction is now paying pro rata.

Following our review, for Bankinter 10, we raised our ratings on the class B and C notes to 'AAA (sf)' and 'AA+ (sf)' from 'AA+ (sf)', and 'AA (sf)', respectively. For Bankinter 11, we raised our rating on class C notes to 'AA+ (sf)' from 'AA (sf)'. For Bankinter 13, we raised our ratings on class C and D notes to 'AA+ (sf)' and 'A (sf)' from 'AA (sf)' and 'BBB (sf)', respectively. These notes could withstand stresses at higher ratings under our credit and cash flow analysis. In our analysis, we also assessed a scenario with no benefit given to recoveries on assets that have currently defaulted, which these notes are able to withstand.

In all the three transactions, we have affirmed our 'AAA (sf)' ratings on the class A2 notes. We have also affirmed our 'AAA (sf)' ratings on Bankinter 11 and Bankinter 13's class B notes.

Although credit enhancement for Bankinter 10 and Bankinter 11's class D notes has increased, they still fail our cash flow 'B' stresses. We have affirmed our 'B- (sf)' ratings on these classes of notes, as we believe that the payments on these notes will be met under the current economic conditions.

We consider that Bankinter 10's class E notes are still vulnerable to nonpayment and are dependent upon favorable business, financial, or economic conditions to meet their financial commitments (see "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," published on Oct. 1, 2012). Therefore, we affirmed our 'CCC- (sf)' rating on these notes.

In February 2021, we lowered our rating to 'D (sf)' on Bankinter 13's class E notes, because we believe the class E notes' interest shortfall that occurred in January 2021 reflects structural weaknesses, which we expect to persist in the longer term. We have therefore affirmed our 'D (sf)' rating on this class of notes as our analysis is unchanged and the shortfall continues to increase.

Our ratings in these three transaction are not constrained by the application of our criteria in relation to operational, sovereign, counterparty, and legal risk.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings, Oct. 1, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- European RMBS Index Report Q4 2022 Feb. 9, 2023
- Spanish Banks In 2023: Navigating Rough Seas Again, Jan. 19, 2023
- European RMBS Outlook 2023: Permafrost or Thaw?, Jan. 12, 2023
- Spain, Sept. 20, 2022
- Bankinter 10 Spanish RMBS Notes Ratings Raised, March 10, 2022.
- S&P Global Ratings Definitions, Nov. 10, 2021
- Three Bankinter 13 Spanish RMBS Tranches Upgraded Following Review; Two Affirmed, March 25, 2021
- Bankinter 13's Class E Rating Lowered To 'D (sf)' Due To Missed Interest Payment, Feb. 18, 2021
- Bankinter 11 Spanish RMBS Transaction Ratings Raised On Two Classes; Two Affirmed, June 27, 2019
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 10, 11, And 13

Macroeconomic Factors, Dec. 16, 2016

- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

Various Rating Actions Taken In Spanish RMBS Transactions Bankinter 10, 11, And 13

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.