ABS/Spain
Presale Report

FTA Santander Consumer Spain Auto 07-1

Expected Ratings*

Class	Amount (EURm)	Legal Final Maturity	Rating	CE (%)
A	1,902	Sep 2022	AAA	6.90
B	78	Sep 2022	A	3.00
C	20	Sep 2022	BBB	2.00
D[1]	40	n.a.	CC	n.a.

[1] Uncollateralised notes issued to finance the creation of the reserve fund at closing date. Initial reserve fund will be equivalent to 2% of the original collateral balance (see *Reserve Fund*)

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* Expected ratings do not reflect final ratings and are based on information provided by the issuer as of 3 May 2007. Final ratings are contingent on final documents conforming to information already received as well as on satisfactory legal opinion. Ratings are not a recommendation to buy, sell or hold any security. The prospectus and other offering material should be reviewed prior to any purchase.

Related Research

The following special reports provide additional detail on Fitch's rating approach to, and the performance of, the ABS market; all are available at www.fitchratings.com:

- *"European Consumer ABS Rating Criteria (Europe – ABS)"*, 11 October 2006
- *"Eye on Europe – The Fitch European Consumer ABS Performance Index 2006 (Vol I)"*, 18 April 2007
- *Tyre Tracks Fitch European Auto ABS Index – March 2007"*, 12 March 2007

Summary

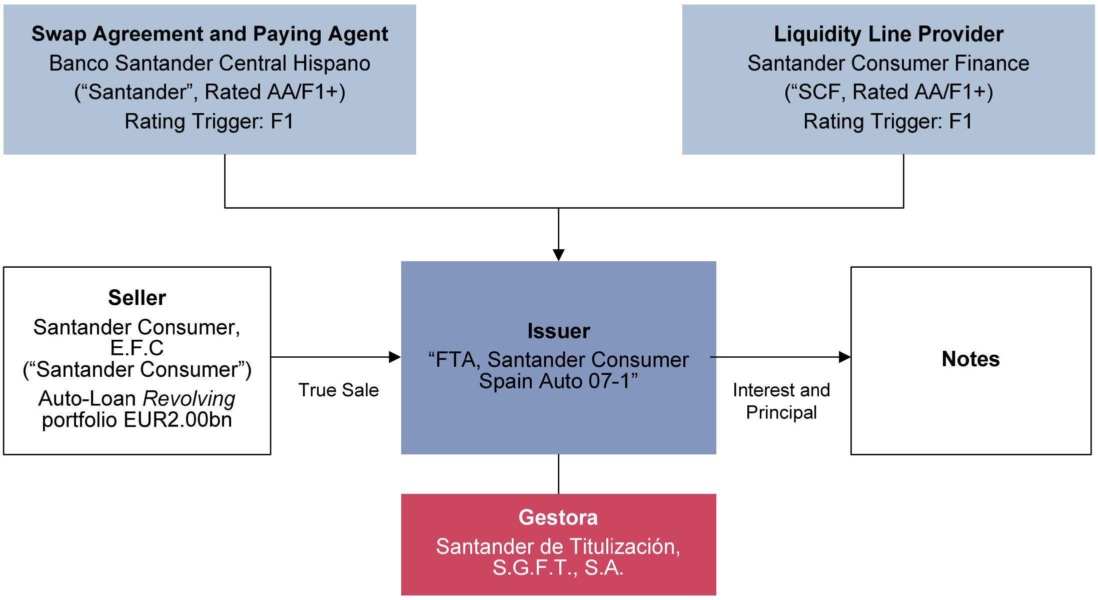
This EUR2,040m transaction is a true sale securitisation of auto loans (the collateral) originated in Spain by Santander Consumer, E.F.C., S.A (Santander Consumer or the seller), a wholly-owned and fully integrated subsidiary of Santander Consumer Finance (SCF, rated 'AA/F1+'). Fitch Ratings has assigned expected ratings to the notes to be issued by FTA Santander Consumer Spain Auto 07-1 (the issuer, or SPV) as indicated at left. The issuer will be legally represented and managed by Santander de Titulización S.G.F.T., S.A. (the sociedad gestora), a limited-liability company incorporated under the laws of Spain, whose activities are limited to the management of securitisation funds.

This is the third auto loan securitisation transaction to be brought to the market by SCF. The previous transaction closed in October 2006 and the related new issue report, entitled *"FTA Santander Consumer Spain Auto 06"*, is available at www.fitchresearch.com. In line with the preceding deal, this transaction has a revolving period after which the transaction will amortise initially on a sequential basis; the collateral to be securitised includes both new and used cars.

The expected ratings are based on the quality of the collateral, the available credit enhancement (CE), Santander Consumer's underwriting and servicing capabilities, the integrity of the transaction's legal and financial structure, and the sociedad gestora's administrative capabilities. The expected ratings on the class A to C notes address timely payment of interest on the notes according to the terms and conditions of the documentation, as well as the repayment of principal by legal final maturity for each note. The class D notes will be issued to finance the cash reserve fund; because these notes are ultimately likely to default, their expected ratings are supported by the expected recovery rate, which is the amount investors are likely to receive during the life of the transaction as a proportion of their original investment.

Initial CE for the class A notes, equivalent to 6.90% of the original collateral balance, will be provided by the subordination of classes B and C (4.90%), plus a reserve fund of 2.00%. Similarly, initial CE for the class B notes, equivalent to 3.00% of the original collateral balance, will be provided by the subordination of the class C notes (1.00%) plus the reserve fund, and initial CE for the class C notes will be provided only by the reserve fund.

Structure Diagram



Source: Transaction documents

■ Credit Committee Highlights

1. Fitch has estimated a base case default rate of 2.20%. Fitch was provided with static 90-day and 24 month delinquency data net of recoveries for the period 2003 to 2006. In addition, Fitch utilised static 90-day gross delinquency data provided for the period 1995 to 2004. Fitch extrapolated historical data to cover the maximum term of the loans. To derive the default base case, Fitch applied a cure rate for the loans registered as 90-days delinquent using information provided by the originator. Separate data was analysed for new and used vehicles.

2. Fitch determined a recovery base case of 50.20% after analysing the above net loss data and historical recovery data covering the period from 1995 to 2004.

3. The agency used its VECTOR ABS model as a quantitative tool to derive rating default rates (RDR) and rating recovery rates (RRR) for the various stress scenarios (see *Credit Analysis*).

4. Fitch analysed the early amortisation triggers with reference to historical information provided and the performance of SCF's previous transactions. Fitch's view is that the early amortisation triggers, along with the eligibility criteria, will adequately maintain the quality and performance of the collateral during the revolving period (see *Revolving Period and Early Amortisation Events*).

5. The SPV will enter into a hedging agreement with Banco Santander Central Hispano (Santander, rated 'AA/F1+'). The swap will initially provide the issuer with a guaranteed margin of 135bps in excess of Euribor and the weighted average (WA) margin payable on the notes. This will increase up to 250bps during the amortisation of the transaction. This has been incorporated within Fitch's cash flow analysis (see *Swap Agreement*).

6. At closing, the cash reserve will be funded with an amount equal to 2.00% of the initial receivables balance. The amount will amortise to a minimum of 0.725% of the initial receivables during the amortisation phase (see *Reserve Fund*).

■ Structure

The issuer is a limited-liability SPV incorporated under the laws of Spain whose sole purpose is to acquire auto loans from Santander Consumer, as collateral for the issuance of floating-rate notes.

Santander Consumer will act as servicer of the collateral while the paying agent and swap counterparty duties will be carried out by Banco Santander Central Hispano (Santander, 'AA/F1+'). In parallel, SCF ('AA/F1+') will act as liquidity line provider. However, for the protection of investors, if Santander Consumer is unable at some future point to continue to service the collateral, the sociedad gestora will appoint a replacement administrator suitably rated in accordance with Spanish

Key Information

Portfolio Characteristics

(As of 16 April 2007)

Number and Type of Loans: 186,607 auto loans for purchase of new and used vehicles

Total Collateral Amount: EUR2,146.2m

Weighted Average (WA) Annual Interest Rate: 6.69%

WA Remaining Term to Maturity: 61 months

Structure

Issuer: FTA Santander Consumer Finance Spain Auto 07-1

Total Issued Amount: EUR2,040m

Management Company: Santander de Titulización SGFT, S.A.

Seller: Santander Consumer , E.F.C., S.A. (Santander Consumer)

Paying Agent: Banco Santander Central Hispano (Santander, rated 'AA/F1+')

Swap Counterparty: Banco Santander Central Hispano (Santander, rated 'AA/F1+')

Liquidity Line Provider: Santander Consumer Finance, S.A. (SCF, rated 'AA/F1+')

Closing Date: 24 May 2007 (expected)

Scheduled Maturity: September 2019

Legal Final Maturity: September 2022

securitisation law and Fitch's commingling criteria (see "*Commingling Risk in Structured Finance Transactions*", dated 9 June 2004 and available at www.fitchratings.com).

The cash bond administration (CBA) function for this transaction will be carried out by the sociedad gestora, a company supervised by the Comisión Nacional del Mercado de Valores (CNMV) whose activities are limited to the management of securitisation funds. After closing, the sociedad gestora will be responsible for cash reconciliation, waterfall calculations and reporting, including the monitoring of applicable triggers. It will also be responsible for taking any action in the interests of the noteholders, such as the replacement of the servicer, account bank or swap counterparty

Principal proceeds from the underlying collateral will be used to purchase additional auto loan receivables until the payment date falling in September 2009 inclusive, after which the revolving period is scheduled to end and amortisation of the notes to commence.

A Guaranteed Interest Contract (GIC) account, held in the name of the issuer at SCF, will receive all the transaction's cash flows. Principal and interest collections from the collateral will be transferred into the GIC account on a monthly basis. The GIC account will also be used to maintain the reserve fund (see *Reserve Fund*) and to cover the ongoing expenses of the SPV. Amounts standing to the credit of this account will receive a guaranteed interest rate equal to three-month Euribor. If the Short-Term Rating of SCF, as account bank, is downgraded below 'F1', the sociedad gestora will take one of the following steps within 30 calendar days: (i) obtain from a third-party entity with a satisfactory rating a first demand guarantee for the amounts deposited in the GIC account; (ii) transfer the GIC account to another entity rated at least 'F1'.

If, after such a downgrade scenario, SCF's Short-Term Rating returns to the required 'F1' level, the entity could regain the responsibilities for the account bank.

Revolving Period

During the 28-month revolving period, Santander Consumer will retain the right to sell additional auto loan receivables to the SPV on a quarterly basis. The issuer will only purchase additional receivables that meet the eligibility criteria outlined in the *Collateral* section below (see *Key Eligibility Criteria*). The principal allocated to receivables purchases will be equivalent to the positive difference between the outstanding classes A to C note balance and the non-defaulted collateral.

The revolving period will end on the earlier of the payment date (falling in September 2009 inclusive) and the date on which an early amortisation event has occurred.

Early Amortisation Events

Key early amortisation events include:

- non-payment of interest on the class A, B or C notes;
- the reserve fund not being at its required level on the current payment date;
- delinquencies (amounts more than 90 days past due) greater than 1.5% of the outstanding collateral balance;
- an outstanding collateral balance that is less than 90% of the outstanding balance of the notes for two consecutive payment dates;
- a principal deficiency ledger of greater than zero, calculated as the difference between the outstanding balance of the A to C notes, minus the non-defaulted collateral;
- a cumulative balance of defaulted loans (defined as those 18 months in arrears) that exceeds a given percentage of the original collateral on a stipulated payment date, as shown in the table below:

Payment Date (%)

1st	0.13
2nd	0.26
3rd	0.39
4th	0.52
5th	0.65
6th	0.78
7th	0.91
8th	1.04
9th	1.25

Source: Fitch, transaction documents

- early termination of the swap agreement, with no substitute found after 15 days;
- Santander Consumer's insolvency or SCF being replaced as servicer of the collateral;
- changes in the fiscal rules that make the purchase of new receivables burdensome.

Given the incorporation of these triggers and the excess spread available under the swap agreement, the agency expects the quality of the collateral and the overall financial strength of the issuer to be maintained through the revolving period until amortisation of the collateral.

Amortisation of the Notes

Principal allocated to the amortisation of the notes on any payment date will be capped at the difference between the balance outstanding on the A to C notes and the balance of non-defaulted collateral. Payments will be made subject to the availability of funds, according to the priority of payments.

Principal payment on the notes is expected to begin in December 2009 and will fall quarterly thereafter (or earlier if an early amortisation event is triggered). Initially, class A, B and C notes will amortise sequentially on a pass-through basis.

However pro-rata amortisation will commence when the credit enhancement available to the class A notes equals double the initial percentage, subject to the following:

1. the reserve fund is at its required level on the current payment date;
2. the outstanding balance of the non defaulted collateral is equal to or greater than 10% of the original balance of the notes;
3. if the delinquency ratio exceeds 1.00% then class C notes are redeemed sequentially;
4. if the delinquency ratio exceeds 1.50% then class B notes are redeemed sequentially.

At closing, the class D notes shall be held by SCF. Initially, the amortisation of the class D notes shall be funded exclusively by surplus amounts released from the reserve fund in accordance with its amortisation schedule.

In the event that the holder of the class D notes elects to implement an accelerated amortisation, then the class D notes shall have access to additional funds remaining at position 15 of the priority of payments. Despite this arrangement, principal payments to class D noteholders shall remain subordinated to other noteholders and third-party payments.

Clean-up Call

All the notes are subject to a clean-up call option when less than 10% of the initial collateral remains outstanding and the notes can be redeemed according to the established priority of payments. The clean-up call can only be exercised if all the notes are redeemed in their entirety.

Priority of Payments

On each quarterly payment date, commencing in September 2007, the combined priority of payments will be:

1. expenses, taxes and servicing fees;
2. net payments under the swap agreement (if applicable);
3. liquidity line payment
4. class A interest;
5. class B interest (if not deferred);
6. class C interest (if not deferred);
7. purchase of new auto loans prior to the expiry of the revolving period, and principal due on the A to C notes in order of seniority during the amortisation phase (see *Amortisation of the Notes*);
8. class B interest if deferred, which will occur if the amortisation deficit exceeds 50% of the initial balance of the class B notes and 100% of the initial balance of the class C and D notes;
9. class C interest if deferred, which will occur if the amortisation deficit exceeds 50% of the initial balance of the class C notes;
10. replenishment of the reserve fund (see *Reserve Fund*);
11. class D interest;
12. class D principal;
13. Swap termination payment resulting from counterparty default;
14. Subordinated amounts;
15. Accelerated amortisation of class D notes;
16. Excess to originator.

The amortisation deficit is the difference between principal due amounts and the available funds for principal repayment. (Note that the principal due amount is defined as the difference of the outstanding balance of the class A to C notes and the current balance of non defaulted loans. Therefore, an amortisation deficit is equivalent to an unreimbursed balance on the principal deficiency ledger.)

The structure will cover ordinary and extraordinary expenses using the excess spread guaranteed by the swap agreement (see *Swap Agreements*).

Reserve Fund

A reserve fund equivalent to 2.0% of the original collateral balance (EUR40m) will be funded at closing through the issuance of the class D notes and will be held in the GIC account at SCF. During the amortising period, and in accordance with a defined formula, the reserve fund will be permitted to reduce to a minimum amount equal to 0.725% of the original note balance.

This amortisation is subject to the following conditions:

- the balance of delinquent loans (more than 90 days in arrears) not exceeding 1.5% of the performing collateral balance;
- the balance of delinquent loans not exceeding 1% of the original collateral balance;
- the reserve fund being replenished to its required amount on the previous payment date;
- the revolving period having ended; and
- in the event of early amortisation, three years having passed since closing.

Swap Agreements

The issuer will enter into a swap agreement with Santander (the swap counterparty). Firstly, this will mitigate against the interest rate mismatch, whereby the receivables yield fixed rate interest but the notes pay floating rate interest. Secondly, the swap will provide a guaranteed margin to the issuer, therefore isolating the issuer from the risk of margin compression on the receivables. Thirdly, the swap will cover the servicing costs in the event that a replacement servicer is appointed.

Under this contract, the SPV will pay the interest received on the performing collateral and will, in return, receive three-month Euribor plus the weighted average margin on the A-C notes, plus a guaranteed margin. The guaranteed margin will initially be 135bps and increase to 250bps during the amortisation period in accordance with a defined formula. The notional shall be, as a minimum, the balance of performing and delinquent loans up to 90 days in arrears.

The interest rate swap has been taken into account in the agency's cash flow modelling.

The swap is an important component of the structure. The following trigger protects the structure from a deterioration in the credit quality of the swap counterparty:

If the swap counterparty is downgraded below 'A/F1', it will, within 30 calendar days, take one of the following steps:

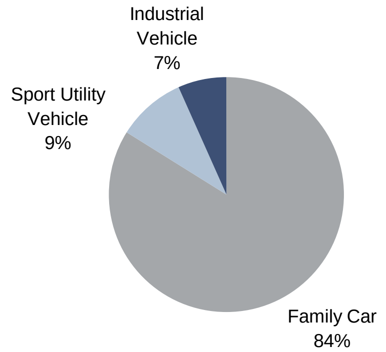
- find an entity rated at least 'A/F1' to guarantee its obligations under the swap agreement;
- find a replacement counterparty rated at least 'A/F1'; or
- cash- or security-collateralise its obligations in an amount sufficient to satisfy existing Fitch criteria.

For details of the method used to calculate the collateral amount see *"Counterparty Risk in Structured Finance Transactions: Swap Criteria"*, dated 13 September 2004 and available at www.fitchratings.com.

■ Collateral

At closing, the final portfolio will have an outstanding balance of EUR2,000m. This will comprise auto loans granted to individuals and companies in Spain to finance the purchase of new or used vehicles.

Collateral Breakdown – Type of Vehicle
(% of Outstanding Balance)



Source: SCF

These loans will be selected from the provisional portfolio which, as at 16 April 2007, had the following main characteristics (percentages express the proportion of the outstanding balance):

1. an average original balance of EUR14,354;
2. an average outstanding balance of EUR11,501;
3. 100% with monthly amortisation and fixed rates;
4. WA interest of 6.69%;
5. WA seasoning of 14 months;
6. WA time to maturity of 61 months;
7. 94.9% granted to individuals;

8. new and used vehicles accounted for 89.98% and 10.02%, respectively;
9. 27.89% concentrated in the region of Andalucia, followed by the Canary Islands (11.36%), Catalonia (11.02%), Madrid (10.41%) and Valencia (9.63%).

Key Eligibility Criteria

During the revolving period, the eligibility criteria stipulates, among other things, that:

- the loans must have been originated by Santander Consumer in the normal course of its business, and were granted to individuals and companies in Spain for the purpose of a vehicle purchase; no loans may have been granted to Santander Consumer employees or managers;
- each loan must have made at least two payments and have no delinquencies;
- the loans may not allow for interest deferral options or balloon payments and must be denominated in euros, with an outstanding balance between EUR500 and EUR100,000;
- the loans must amortise monthly through direct transfer, and have a latest maturity date of September 2019;
- all loans must have a maximum original term of 120 months;
- all loans must bear fixed interest rates equal to or greater than 5% and must be for an original amount lower than the value of the purchased vehicle;
- at a portfolio level, the following requirements must be met:
  - the maximum obligor concentration is 0.05% of total outstanding collateral on each payment date;
  - for new receivables purchased on each payment date, the WA time to maturity must be more than 60 months;
  - for the total portfolio the WA seasoning is greater than six months and WA time to maturity is lower than seven years;
  - receivables with a remaining term in excess of 108 months shall not exceed 3.75% of the total outstanding collateral;
  - receivables with an outstanding balance above EUR50,000 represent less than 0.75% of total outstanding collateral at each payment date;
  - loans granted to companies represent less than 10% of the outstanding collateral balance;
  - the maximum geographic concentration cannot exceed 28.0% and the aggregate percentage for the three regions showing the greatest obligor concentration is less than 60% of the outstanding collateral balance;
  - in terms of vehicle type, the portfolio must fulfil the following requirements in relation to the outstanding collateral balance: family cars more than 75%; coaches less than 0.05%; industrial vehicles less than 10%; new vehicles more than 86%; family cars derivatives less than 7%; and SUVs less than 10%.

If any receivable fails to meet the eligibility criteria, the seller will have 15 days in which to substitute or repurchase the receivables concerned, at a price equal to the sum of principal outstanding plus any interest accrued on the loans in question.

The above loan level eligibility criteria shall also be applicable to the initial pool with the exception of the EUR100,000 per loan limit. The portfolio level criteria are not applicable to the initial pool. For the initial pool, the loan value may exceed EUR100,000 subject to no more than three individual obligors exceeding 0.025% each and no obligors exceeding 0.05%. Given that a single loan may be advanced to finance several vehicles, Fitch has derived comfort from the obligor concentration limit.

Origination and Servicing

Santander Consumer, E.F.C., S.A (Santander Consumer) is a wholly-owned and fully integrated subsidiary of Santander Consumer Finance (SCF, rated 'AA/F1+'), which in turn is a wholly-owned and fully integrated subsidiary of Banco Santander Central Hispano (Santander, 'AA/F1+'), the parent of Spain's largest banking group. The Short-Term and Issuer Default Ratings of SCF are in line with those of its parent and reflect the benefits it enjoys as an integral part of the group in a strategically important business. SCF contributed around 9% of the Santander group total pre-tax profit in Q306, while its assets only accounted for 5.5% of the group total.

Furthermore, SCF is itself the parent bank of the leading consumer-finance group, with large market shares in various countries across Europe. At end-Q306, lending was mainly distributed geographically as follows: Germany 41%; Spain and Portugal 30%; Italy 12%; Norway and Sweden 7%; and Poland 4%. It is one of the leaders in the auto loan credit segment. Car financing is its core activity, accounting for some 66% of total lending, followed by consumer finance at around 18% (mainly credit cards). Total auto loan exposure was about EUR6.1bn as at April 2006 (91% on new cars).

Santander Consumer's asset quality is sound and the entity has robust risk-management systems in place. Specific scoring systems are used in each country and the company follows a very thorough recovery process.

The main underwriting and servicing guidelines are summarised below:

- Santander Consumer benefits from clear underwriting and monitoring manuals. Approximately 85% of the entire seller's auto loan business is originated through car dealers (car brokers' centres). Applications may also be made by telephone or online, and ultimately are approved by the Santander Consumer network, which consists of more than 260 branches and 5,000 employees. A specialised call centre, Konecta, which is part-owned by Santander Group, deals with around 75% of the underwriting.

- The credit approval process involves different levels of credit authority with specific and clearly defined approval limits. Authority levels required for underwriting the loan rise as the credit risk amount increases.

- As part of its underwriting process, Santander Consumer uses an in-house credit-scoring tool that was first developed in 1989 and has evolved into a sophisticated instrument in line with Basel II requirements. Two different scoring systems apply, one for new and the other for used cars. The scoring model takes the following factors into consideration: client profile, the provision of personal data (detailing, for example, the applicant's job status, financial strength and credit history), and the product type.

- Monitoring and risk management focus on the preservation of the quality of Santander Consumer, E.F.C.'s credit portfolio through timely and comprehensive information, a system of automatic alerts and specialised surveillance committees.

- Loans in arrears are initially managed by Konecta, which creates a file and keeps a record of the measures taken. Recoveries of loans that are 90 days delinquent and those that enter into legal procedures (contencioso) are outsourced to another Santander Consumer Finance Group company called Reintegra S.A. Recoveries are dealt with by different committees depending on the amount of the default.

Set-Off Risk

The issuer could be affected by the set-off rights of borrowers with deposits in accounts held with Santander Consumer Finance. However, this risk is mitigated as the seller commits itself in the documentation to remedying such a circumstance if it arises at any point during the life of the transaction or, if it cannot be remedied, to pay the issuer the amount set-off, plus accrued interest. According to Spanish law, the set-off risk should cease to be valid after the other party (ie borrowers) receives notification of the assignment of the receivable, or following the bankruptcy of one of the parties.

The transaction documents stipulate that if the seller becomes insolvent, or if the sociedad gestora considers it appropriate, the seller will be required to notify the obligors within three days and provide them with new payment instructions.

■ Credit Analysis

When rating this transaction Fitch applied consumer ABS methodology, entitled "*European Consumer ABS Rating Criteria*" and available at www.fitchratings.com. The main quantitative tools for this are the Fitch Default VECTOR ABS model (VECTOR ABS), and the agency's cash flow model.

Default Base Case

Fitch was provided with static 90-day and 24 month delinquency data net of recoveries for the period 2003 to 2006. Also static 90-day delinquency figures for new and used cars covering the period from 1996 to 2004 were provided by Santander Consumer. In addition, Fitch was provided with historical information on cure rates between 90 days and 270 days delinquency.

The transaction documents define a defaulted receivable as one that is delinquent for 18 months. Fitch derived default curves, assuming that borrowers who have not made a payment 270 days after the due date should be considered defaulted - a conservative assumption that was necessitated by the available data. The agency extrapolated cumulative default rates for years six to 10 in order to account for the full term of the loans. Separate data was analysed for new and used vehicles.

Fitch arrived at a base case cumulative default assumption of 2.20% after analysing the data provided. Fitch assumed the spilt of new and used vehicles to be 86% and 14% respectively, as per the eligibility criteria rather then the initial pool.

Recovery Base Case

On the recovery side, Santander Consumer presented historical data from 1999 to 2004 for each stage in the recovery process. Fitch adopted a base case rate of 50.20% based on the breakdown of the collateral between new and used cars. Fitch has taken the view that a 24-month recovery period, following default, is appropriate after observing historical recovery data.

Although Fitch recognises that the largest proportion of historical recoveries comes from negotiated rather than legal recovery proceedings, it notes that Santander Consumer is entitled to commence legal action for the execution of the personal guarantee attached to every loan, which allows the bank to sell/auction the vehicle. Nevertheless, in the initial stage, most of the recoveries are expected to come from monitoring or legal actions against the borrowers, rather than from the sale of financed vehicles.

VECTOR ABS

The base-case default rate and base-case recovery rate were input to VECTOR ABS in order to calculate the default rate and recovery rate that would be expected at each rating level.

Based on one million scenario runs, the following rating default rates (RDR), rating recovery rates (RRR) and rating loss rates (RLR) were derived for the ‘AAA’, ‘A’ and ‘BBB’ rating scenarios:

VECTOR ABS Results

Rating	RDR (%)	RRR (%)
AAA	9.25	29.94
A	6.38	39.88
BBB	4.08	44.79
Base Case	2.20	50.20

Source: Fitch

Prepayments

The base case prepayment rate was set at 10.0%, based upon historical data. Within the cash flow model Fitch applied stressed prepayment rates of 15.0% under a ‘AAA’ scenario, 13.0% at ‘A’ and 12% at ‘BBB’.

Cash Flow Modelling

The agency’s cash flow model was used to simulate the impact of defaults, recoveries and prepayments on the issuer’s income, based on the assets to be acquired. The cash flows were tested to ascertain if they were sufficient to pay interest and principal on the different classes of notes when due in relevant rating scenarios. The model thereby took into account the different structural elements of the transaction.

The results were used to determine the appropriate credit enhancement levels for the respective classes of rated notes.

The agency took into account in its analysis the interest deferral mechanism in place on the class B and C notes. The triggers are designed to protect the higher rated notes in high stress scenarios. The class B and class C triggers were not breached when simulating ‘A’ and ‘BBB’ stress scenarios respectively.

Class D Notes

The performance of the class D notes requires very favourable conditions for the collateral backing the series A to C notes. Fitch calculated an expected recovery rate after testing several cash flow scenarios commensurate with speculative-grade rating levels. The sensitivity analysis performed consisted of testing several variables that affect the release of the reserve fund and, consequently, the availability of interest and principal payments on the class D notes. Fitch ran multiple stress scenario assumptions, including:

- alternative timing of default assumptions: back-loaded, front-loaded and evenly spread defaults;
- alternative interest rates: increasing, low, and constant interest rate scenarios;
- prepayment speeds: high, low and average historical prepayment rates;
- the agency modelled high and low margin compression rates assuming that the bulk of prepayments are allocated to the higher-margin loans in the portfolio; and
- exercise of the clean-up call by the originator.

The ‘CC’ expected rating on the class D notes is supported by the expected recovery rates. As default on the class D notes appears probable, Fitch projected the distribution of possible recovery rates - calculated as the present value of expected interest and principal payouts on the class D notes - using a discount factor of 8.0%. Based on the agency’s calculation, the expected recovery rate was in the range of 50% of the initial note balance.

■ Performance Analytics

Fitch will monitor the transaction regularly and as warranted by events. Its structured finance performance analytics team ensures that the assigned ratings remain, in the agency’s view, an appropriate reflection of the issued notes’ credit risk. Details of the transaction’s performance are available at www.fitchresearch.com.

Further information on this service is available at www.fitchratings.com.

Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing performance.

■ FTA Santander Consumer Spain Auto 07-1 Spain/Consumer ABS

Capital Structure

Series	Rating	Size (%)*	Size (EURm)	Initial CE (%)	PMT Freq	Final Legal Maturity
A	AAA	95.1	1,914	6.90	Quarterly	Sep 2022
B	A	3.9	70	3.00	Quarterly	Sep 2022
C	BBB	1.00	16	2.00	Quarterly	Sep 2022
D**	CC	2.00	40	n.a.	Quarterly	n.a.

* These percentages are expressed as a proportion of the initial collateral balance. Initial Reserve Fund size is 2.0% of the original collateral balance.
** Un-collateralised note issued to fund the creation of the reserve fund at closing date.
Source: Fitch

Key Information

Closing Date	24 May 2007 (Expected)	**Role**	Party (Trigger)
Country of Assets	Spain	**Issuer**	FTA, Santander Consumer Spain Auto 07-1
Structure	28 month revolving period, followed by sequential/pro rata amortisation	**Seller/Servicer of the Loans**	Santander Consumer, E.F.C., S.A
Type of Assets	Auto loans (new and used cars)	**Servicer of the Notes**	Santander de Titulización S.G.F.T., S.A.
Currency of Assets	EUR	**Swap Counterparty**	Banco Santander Central Hispano ('AA/F1+')
Currency of Notes	EUR	**Paying Agent**	Banco Santander Central Hispano ('AA/F1+')
Primary Analyst	grant.england@fitchratings.com	**GIC Provider**	Santander Consumer Finance, S.A ('AA/F1+')
Secondary Analyst	marta.aisa@fitchratings.com	**Liquidity Provided**	Santander Consumer Finance, S.A ('AA/F1+')
Performance Analyst	renaud.utereiner@fitchratings.com		

Collateral: Pool Characteristics

As of 16 April 2007

Current Principal Balance (EURm)	2,146.2	WA Seasoning (Months)	14
Loans (#)	186,607	WA Time to Maturity (Months)	61
Original Average Principal Balance (EUR)	14,354.2	Highest Geographical Concentration (%)	27.89
Current Average Principal Balance (EUR)	11,501.4	Top Three Geographical Concentrations (%)	50.27
Linked to Fixed Interest Rates (%)	100.0	Linked to Individuals Resident in Spain (%)	100.0
Linked to Floating Interest Rates (%)	0.0	Monthly Amortising (%)	100.0
WA Interest (%)	6.69	New Vehicles (%)	89.98
Loans Granted to Individuals (%)	94.93	Used Vehicles (%)	10.02

All percentages are expressed as a proportion of current collateral balance
Source: Transaction documents