Fitch Ratings
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Structured Finance

ABS/Spain
Presale Report

FTA Santander Consumer Spain Auto 06

Expected Ratings*

Class	Amount (EURm)	Legal Final Maturity	Rating	CE (%)
A	1,282.5	Oct 2016	AAA	5.76
B	22.3	Oct 2016	AA	4.11
C	22.3	Oct 2016	A	2.46
D	22.9	Oct 2016	BBB	0.76
E[1]	10.2	n.a.	CCC	n.a.

[1] Uncollateralized notes issued to finance the creation of the reserve fund at closing date. Initial reserve fund will be equivalent to 0.76% of the original collateral balance and is expected to increase to a target amount of 1.5% (see *Reserve Fund*)

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* Expected ratings do not reflect final ratings and are based on information provided by the issuer as at 2 October 2006. 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:

- *"Kicking the Tyres: An Overview of European Auto ABS (Europe – ABS)"*, 24 October 2002
- *"Eye on Europe – The Fitch European Consumer ABS Performance Index 2006 (Vol I)"*, 27 February 2006

■ Summary

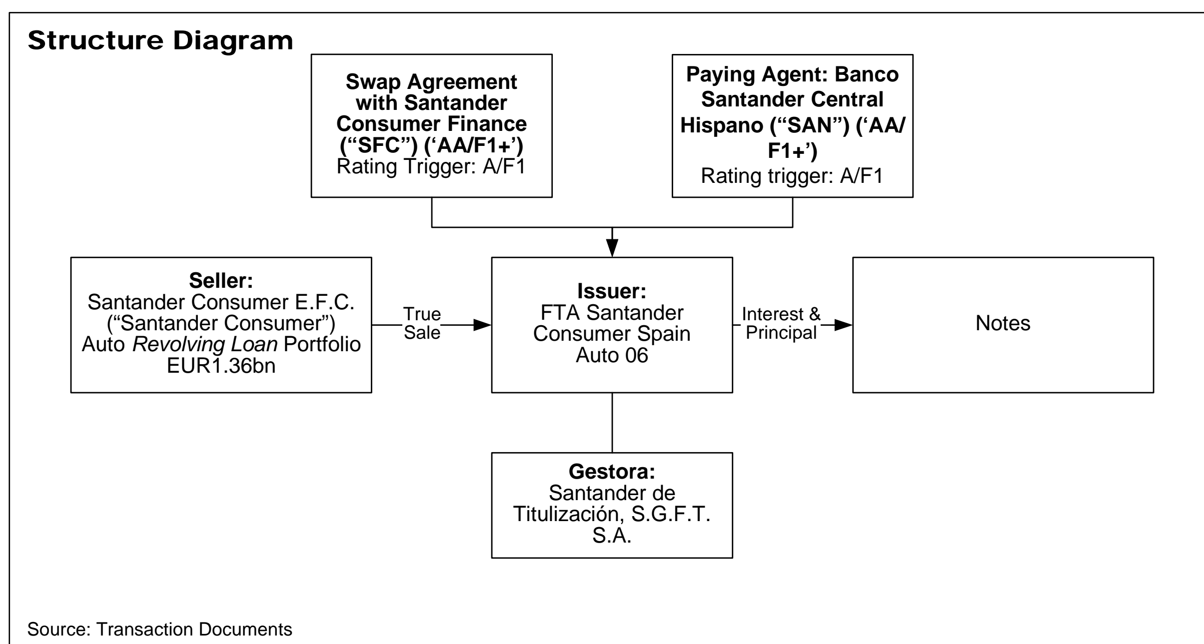
This EUR1,360.2 million transaction is a true sale securitisation of auto loans ("the collateral") originated in Spain by Santander Consumer, E.F.C., S.A ("Santander Consumer" or "the seller"), a wholly owned and fully integrated subsidiary of Santander Consumer Finance ("SCF", rated 'AA/F1+'). Fitch Ratings has assigned expected ratings to the notes to be issued by FTA Santander Consumer Spain Auto 06 ("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 second auto loan securitisation transaction to be brought to the market by SCF. The previous transaction closed in December 2002 and the related new issue report, entitled "*Santander Consumer Finance Spain 02-1, Fondo de Titulización de Activos*", is available at www.fitchresearch.com. Like the preceding deal this transaction has a two-and-a-half-year revolving period, after which the transaction will amortise sequentially. In contrast to the previous securitisation, the collateral for FTA Santander Consumer Spain Auto 06 will include 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 D notes address payment of interest on the notes according to the terms and conditions of the documentation, subject to a deferral trigger on the class B, C and D notes, as well as the repayment of principal by legal final maturity for each note. The class E notes will be issued to partly finance the cash reserve fund; because these notes are ultimately likely to default, their expected ratings are supported by the expected recovery rate: that is, the amounts 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 5.76% of the original collateral balance, will be provided by the subordination of classes B to D (5.0%), plus a reserve fund (0.76% at close). Similarly, initial CE for the class B notes will be provided by the subordination of the class C and D notes (3.35%) plus the reserve fund, and initial CE for the class C notes will come from the subordination of the class D notes (1.70%) plus the reserve fund. Finally, initial CE for the class D 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 1.75% of the original collateral amount using dynamic and static delinquency data dating back to 1996 provided by Santander Consumer. Fitch reached its base case assumption by extrapolating historical data to take into account a whole economic cycle. The agency stressed this rate to account for the relatively benign recent economic environment in Spain, applying multiples for the various rating scenarios (see *Credit Analysis*).

2. Multiple performance triggers have been defined in the structure for the revolving period, which could accelerate amortisation of the notes on the breach of any trigger. Based on the dynamic and static delinquency data presented by Santander Consumer, Fitch verified that the performance triggers applicable during the revolving phase should allow the transaction to maintain the credit profile and financial quality of the collateral until the beginning of the amortisation phase (see *Revolving Period and Early Amortisation Events*). The performance of Santander Consumer's previous transaction was also taken into consideration when validating these triggers.

3. Fitch determined a base case of 50.0% for recoveries after analysing the historical data covering the period from 1995-2004. Moreover, the agency conducted an operational review at Santander Consumer with the management teams responsible for the origination and surveillance of consumer portfolios, with a positive outcome (please see *Origination and Servicing*).

4. To mitigate the interest rate risk arising from the fact that 100% of the collateral bears a fixed rates while the notes will be linked to the three-month Euribor rate, the SPV will enter into a hedging agreement with SCF. In addition, the agency accommodated in its cash flow model the guaranteed excess spread of 300bp per annum payable by the swap counterparty to the issuer.

5. Fitch has also accounted for the possible negative carry risk arising during the revolving period of the transaction from the fact that the GIC account will yield a rate equivalent to three-month Euribor while the SPV will pay three-month Euribor plus the weighted average (“WA”) margin on the notes.

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, pass-through and sequentially subordinated notes.

Santander Consumer, will act as servicer of the collateral while the paying agent duties will be carried out by Banco Santander Central Hispano (“SAN”, ‘AA/F1+’), and the swap counterparty will be SCF . 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 securitisation law and Fitch's commingling criteria (see “*Commingling Risk in Structured Finance*

Key Information

Portfolio Characteristics

As of 13 September 2006

Number and Type of Loans: 174,395 auto loans for purchase of new and used vehicles

Total Collateral Amount: EUR1,466.6m

Weighted Average ("WA") Annual Interest Rate: 6.34%

WA Remaining Term to Maturity: 43 months

Structure

Issuer: FTA Santander Consumer Finance Spain Auto 06

Total Issued Amount: EUR1,360.2m

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

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

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

Swap Counterparty: Santander Consumer Finance, S.A. ("SCF", rated 'AA/F1+')

GIC Provider: SCF

Closing Date: October 2006

Scheduled Maturity: October 2014

Legal Final Maturity: October 2016

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 their 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 April 2009 inclusive, after which the revolving period is scheduled to end and amortisation of the notes to commence.

A 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 every 24 hours. 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:

1. find a third party with a satisfactory rating to guarantee its obligations;
2. transfer the GIC account to another entity rated at least 'F1'; or
3. if neither of the above are possible, invest the balance of the GIC account temporarily, and until the next payment date, in fixed-income assets ("qualified investments"). An 'F1' rating is sought for qualified investments maturing within 30 days, and a rating of 'F1+' for those with longer terms.

Revolving Period

During the 30-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. The principal allocated to receivables purchases will be equivalent to the sum of principal collections on the performing collateral (see *Key Eligibility Criteria*).

If no new receivables are available for purchase on any payment date, the unused funds will be credited to a GIC account held at SCF in the name of the issuer (called the "principal account"), which will yield three-month Euribor. A rating trigger of 'F1' is also applicable on this account and, therefore, if SCF's Short-term rating is downgraded below this level, the sociedad gestora must take one of the steps defined above in *Structure*.

The revolving period will end on the earlier of the payment date falling in April 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, C or D notes;
- delinquencies (amounts more than 90 days past due) greater than 1.5% of the outstanding collateral balance;
- a cumulative balance of defaulted loans (defined as those more than 12 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	1.17
10th	1.25

- the reserve fund not being at its required level on the current payment date;
- a servicer replacement event;
- early termination of the swap agreement, with no substitute found after 15 days;
- Santander Consumer's insolvency;
- changes in the fiscal rules that make the purchase of new receivables costly;
- 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 D notes minus the non-defaulted collateral.

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 D 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 July 2009 and will fall quarterly thereafter, or earlier if an early amortisation event is triggered. Classes B, C and D will amortise sequentially on a pass-through basis after the A notes have been redeemed in full.

Amortisation of the E notes will take place solely and totally on the last payment date in October 2014 or earlier if the clean-up call is exercised (see *Clean-up Call*). Principal funds available for their amortisation will be limited to the cash released from the reserve fund. The reserve fund will have a floor of 0.76% of the original notes balance or 3.0% of the current outstanding balance – whichever is higher – and will be released to the class E noteholders at legal final maturity.

Clean-up Call

All the notes (including the class E notes) will be subject to a clean-up call 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 January 2007, the combined priority of payments will be:

1. expenses, taxes and servicing fees;
2. net payments under the swap agreement (if applicable);
3. class A interest;
4. class B interest (if not deferred);
5. class C interest (if not deferred);
6. class D 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 D notes in order of seniority during the amortisation phase (see *Amortisation of the Notes*);
8. class B interest if deferred, which will occur if cumulative defaults exceed 7.37% of the original collateral balance, and A notes are still outstanding
9. class C interest if deferred, which will occur if cumulative defaults exceed 5.27% of the original collateral balance, and B notes are still outstanding;
10. class D interest if deferred, which will occur if cumulative defaults exceed 3.91% of the original collateral balance, and C notes are still outstanding;
11. replenishment of the reserve fund (see *Reserve Fund*);
12. subordinated amounts, including class E interest and principal.

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

Please note that during the revolving period only, the above defined waterfall of payments will be modified to position the subordinated amounts, including interest amounts due on the class E notes, ahead of any replenishment to the reserve fund. Once the amortisation period commences, the replenishment of the reserve fund, if needed, will be

positioned ahead of these subordinated amounts. As a consequence, the agency has only accommodated within its cash flow model the original size of the reserve fund only (i.e. 0.76% of the collateral balance), and did not account for the target level to be reached at any stress level commensurate with the ratings of the notes.

Reserve Fund

A reserve fund equivalent to 0.76% of the original collateral balance (EUR10.2m) will be funded at closing through the issuance of the class E notes. After closing, commencing on January 2007, the reserve fund will be increased up to a target amount of 1.5% of the original collateral balance (EUR20.25m) using available excess spread within the structure.

The reserve fund will be permitted to amortise to the greater of 0.76% of the original collateral balance or 3.0% of the outstanding collateral 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, and;
- three years having passed since closing.

Swap Agreements

The issuer will enter into a swap agreement with SCF (“the swap counterparty”) to mitigate the interest rate risks of the collateral. Under this contract, the SPV will pay the interest received on the performing collateral and will, in return, receive three-month Euribor plus the WA margin on the notes plus 300bp of excess spread, multiplied by a notional defined as the greater of:

- a) the balance of performing and delinquent loans up to 90 days in arrears; and
- the lesser of:

  b) the outstanding balance of the collateral; or

  c) the performing collateral multiplied by a factor defined as the WA margin received from the collateral divided by the WA margin on the notes plus 300 bp.

Note that under the swap agreement, the swap counterparty will also pay the SPV the servicing fee for the collateral if Santander Consumer is replaced as servicer.

In summary, the swap agreement covers the following:

1. it hedges against an interest rate mismatch between the assets and liabilities arising from differences in the reference indices (12-month Euribor for the collateral versus three-month Euribor for the liabilities);
2. it produces a stable spread of 300bp over the life of the deal, thereby mitigating any compression in the WA margin on the loans and offsetting the increase in note funding costs over time;
3. the fees arising from the replacement of Santander Consumer as servicer of the collateral.

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.

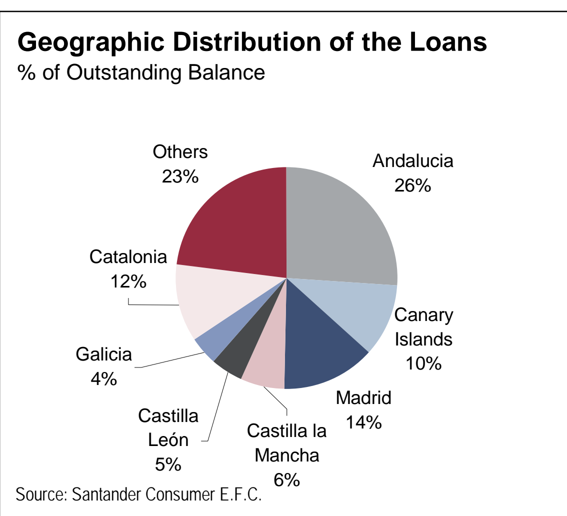
For details of the method used to calculate the collateral amount see *“Counterparty Risk in Structured Finance Transactions: Swap Criteria”*, dated 13 September 2004 and available at www.fitchratings.com.

Collateral

At closing, the final portfolio will have an outstanding balance of EUR1,360.2m, comprising auto loans granted to individuals and companies in Spain to finance the purchase of new or used vehicles.

These loans will be selected from the provisional portfolio, which as at 13 September 2006 had the

Geographic Distribution of the Loans
% of Outstanding Balance



Source: Santander Consumer E.F.C.

following main characteristics (percentages express the proportion of the outstanding balance):

1. an average original balance of EUR12,198;
2. an average outstanding balance of EUR8,410;
3. 100% with monthly amortisation and fixed rates;
4. WA interest of 6.34%;
5. WA seasoning of 17 months;
6. WA time to maturity of 43 months;
7. 92% granted to individuals;
8. new and used vehicles accounted for 86.69% and 13.31%, respectively;
9. 26.19% is concentrated in the region of Andalucia, followed by Madrid (13.78%), Catalonia (11.51%) and the Canary Islands (10.35%).

Key Eligibility Criteria

During the revolving period, the eligibility criteria stipulate, 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 has no delinquencies;
- the loans may not allow for interest deferral options or balloon payments and must be denominated in euro, with an outstanding balance of between EUR500 and EUR200,000;
- the loans must amortise monthly through direct debit, and have a latest maturity date of September 2014;
- 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 43 months;
    - the WA seasoning is more six months; 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 26.5% 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: cars more than 75%, coaches less than 0.05%, industrial light vehicle less than 12%, new vehicles more than 86%, family cars less than 7% and SUVs less than 6%;
    - if any auto loan 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.

Origination and Servicing

Santander Consumer is a wholly owned and fully integrated subsidiary of SCF, which in turn is a wholly owned and fully integrated subsidiary of SAN, 'AA/F1+'), the parent of Spain's largest banking group. In Fitch's view, there is an extremely high probability of support from the parent bank if required. 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.

Furthermore, SCF is, itself, the parent bank of the leading consumer-finance group with large market shares in Spain, Germany, Italy, Portugal, Poland and Norway, and a presence in Hungary, Austria, Czech Republic, the Netherlands and Sweden. It is one of the leaders in the auto loan credit segment. Car financing is its core activity, accounting for some 62% of total lending, followed by consumer loans at around 23% (mainly credit cards). Total auto loan exposure was about EUR6.1bn as at April 2006 (91% on new cars).

Santander Consumer's lending asset quality is sound and the entity has robust risk-management systems. 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 are ultimately 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'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 SCF 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 paying 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 (i.e. the 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

Fitch applied its standard consumer ABS methodology when rating this transaction. The agency's key inputs in the analysis were a base-case cumulative default probability for the collateral, calculated on the basis of the 270-day vintage delinquency data provided by the seller, and the recovery rates for each rating category.

Default Probabilities and Recovery Rates

Static 90-day delinquency figures for new and used cars dating back to 1996 were provided by Santander Consumer. Fitch derived default curves assuming that borrowers who have not made a payment 270 days after the due date should be considered defaulted – an assumption based on data presented by the seller. The agency had to extrapolate data for the years 6 and 7 using ratios taken from previous and recent Spanish auto loan securitisations in order to account for the full term of the loans. An additional stress was applied to take into account the lack of comprehensive data.

Fitch arrived at its assumption using a base-case cumulative default probability of 1.75% after analysing the data provided and taking into consideration the volatility of the vintage data and the collateral breakdown. The agency then applied multiples to this to obtain default probabilities for the higher rating categories, as detailed below.

On the recovery side, Santander Consumer presented historical data from 1999 for each stage in the recovery process, from initial delinquency to legal recovery procedures. Fitch adopted a base-case rate of 50.0% based on the breakdown of the collateral between used and new cars. To guard against potential volatility risks, the agency has reduced the base recovery rate by 40%, 30%, 20% and 10% in the more stressful scenarios, commensurate with the 'AAA', 'AA', and 'A' and 'BBB' expected ratings of the notes, respectively.

Default Probabilities

(%)	Cumulative WA Default Probability	Multiple of Base Case
AAA	8.75	5.0
AA	7.00	4.0
A	5.25	3.0
BBB	3.50	2.0
Base Case	1.75	n.a.

Source: Fitch

Fitch has taken the view that a 24-month foreclosure period is appropriate after observing historical recovery data. Although it 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 surveillance, monitoring or legal actions against the borrowers, rather than from the sale of financed vehicles.

Cash Flow Modelling

Fitch modelled the cash flow mechanics of this transaction using the default probabilities and recovery rates detailed above. The cash flow model assumed that defaults and recoveries would be consistent with historical data provided by Santander Consumer. It assumes that approximately 70% of all the defaults will occur before the third year after the end of the revolving phase, and that 80% of all recoveries will realised within the first two years after the defaults.

Fitch's analysis calculated the cost of carrying defaulted loans as the difference between the performing balance of the collateral and the notional note balance until recovery proceeds were collected. Excess spread, the reserve fund and principal collections must be sufficient to cover the carrying cost until recoveries are received. Interest rates were stressed upwards over time in accordance with the criteria definitions.

The agency took into account in its analysis the interest deferral mechanism in place on the class B, C and D notes. Should the triggers be hit, interest on the B, C and D notes may be deferred for a period, but will ultimately be paid prior to the legal maturity date under the respective stress scenario.

The agency also modelled different levels of prepayments, which can have differing impacts on the transaction. Primarily, they lower the absolute amount of excess spread, which is key to the total CE in this structure. However, since principal repayment is first directed to the senior classes, these notes benefit from higher CE as a result of the increase in subordination. The base-case prepayment rate used in the cash flow model is 16.0%, which was reached by averaging out the historical annual prepayment rates on Santander Consumer's consumer loan portfolio over the last four years. Fitch applied rates of 24.0% under a 'AAA' scenario, 22.0% at 'AA', 21.0% at 'A' and 19% at 'BBB'.

The analysis showed that the CE levels provided for each of the tranches would be sufficient to withstand the default hurdles and losses determined by the agency for the individual ratings.

Class E Notes

The performance of the class E notes requires very favourable conditions for the collateral backing the series A to D 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 E 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 'CCC' expected rating on the class E notes is supported by the expected recovery rates. As default on the class E 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 E notes, using a discount factor of 8.0%. Based on the agency's calculation, the expected recovery rate was in the range of 70%-90% of the initial note balance.

Recovery Rates

(%)	Cumulative WA Recovery Rate	Recovery Rate Haircut
AAA	30.0	40.0
AA	35.0	30.0
A	40.0	20.0
BBB	42.5	10.0
Base Case	50.0	n.a.

Source: Fitch

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 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 06 — Spain/Consumer ABS

Capital Structure

Series	Rating	Size (%)*	Size (EURm)	Initial CE (%)	Target CE (%)	PMT Freq	Final Legal Maturity
A	AAA	95	1,282.5	5.76	6.50	Quarterly	Oct 2016
B	AA	1.65	22.3	4.11	4.85	Quarterly	Oct 2016
C	A	1.65	22.3	2.46	3.20	Quarterly	Oct 2016
D	BBB	1.70	22.9	0.76	1.50	Quarterly	Oct 2016
E**	CCC	0.76	10.2	-	-	Quarterly	Oct 2016

* These percentages are expressed as a proportion of the initial collateral balance. Initial Reserve Fund size is 0.76% of the original collateral balance and is expected to increase up to its target amount of 1.50% using excess spread available within the structure from the first payment date. See Reserve Fund.
** Un-collateralised note issued to fund the creation of the reserve fund at closing date.

Key Information

Closing Date	13 October 2006 (Expected)	**Role**	Party (Trigger)
Country of Assets	Spain	**Issuer**	FTA, Santander Consumer Spain Auto 06, FTA
Structure	Two-and-a-half-year revolving period, followed by sequential 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**	Santander Consumer Finance, S.A (‘AA/F1+’)
Currency of Notes	EUR	**Paying Agent**	Banco Santander Central Hispano (‘AA/F1+’)
Primary Analyst	juan.garcia@fitchratings.com	**GIC Provider**	Santander Consumer Finance, S.A (‘AA/F1+’)
Secondary Analyst	marta.aisa@fitchratings.com		
Performance Analyst	jose.lourenco@fitchratings.com		

Collateral: Pool Characteristics

As of 13 September 2006

Current Principal Balance (EURm)	1,466.6	WA Seasoning (Months)	17
Loans (#)	174,395	WA Time to Maturity (Months)	43
Original Average Principal Balance (EUR)	12,198.0	Highest Geographical Concentration (%)	26.1
Current Average Principal Balance (EUR)	8.410.1	Top Three Geographical Concentrations (%)	51.4
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 (%)	6.34	New Vehicles (%)	86.69
Loans granted to individuals (%)	92.03	Used Vehicles (%)	13.31

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

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