STANDARD & POOR'S

RATINGSDIRECT®

July 10, 2007

Presale:

Fondo de Titulización de Activos, Programa Independiente de Titulización de Cédulas Hipotecarias

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Presale:

Fondo de Titulización de Activos, Programa Independiente de Titulización de Cédulas Hipotecarias

€1.2 Billion Fixed-Rate Notes Series I

This presale report is based on information as of July 10, 2007. The credit rating shown is preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of a final credit rating that differs from the preliminary credit rating.

Series	Prelim. rating*	Prelim. amount (Bil. €)	Interest	Expected final maturity date	Legal final maturity of the fund
I	AAA	1.2	Fixed	July 2022	Three years after the longest maturity of all current and future series

*The rating on the securities is preliminary as of July 10, 2007, and subject to change at any time. A final credit rating is expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's rating addresses timely interest and ultimate principal.

Transaction Participants	
Mortgage covered bond issuers and servicers	Caja de Ahorros y Monte de Piedad de Córdoba (Caja Sur); Caja de Ahorros de Asturias; Caja Caminos Sociedad Cooperativa de Crédito (Caja Caminos); Banco Guipuzcoano, S.A.; Banco Santander Central Hispano, S.A.; and Banco Santander Consumer Finance, S.A.
Underwriter	Banco Santander Central Hispano, S.A.
Arranger	Banco Santander Central Hispano, S.A.
Seller	Banco Santander Central Hispano, S.A.
Trustee	Santander de Titulización, S.G.F.T., S.A.
Bank account provider	Banco Santander Central Hispano, S.A.
Bookrunners	Banco Santander Central Hispano, S.A., Natixis S.A., and Unicredit
Liquidity facility provider	Ixis Corporate & Investment Bank

Supporting Ratings

Institution/role	Rating
Banco Santander Central Hispano, S.A. as bank account provider	AA/Stable/A-1+
Ixis Corporate & Investment Bank as liquidity facility provider	AA/Stable/A-1+

Key Features	
Expected closing date	July 2007
Collateral	Six "cédulas hipotecarias" (mortgage covered bonds; CHs)
Principal outstanding (Bil. €)	1.2
Country of origination	Spain
Redemption profile	Bullet maturity
Maximum individual liquidity line amount based on a 15-year series I amount of €1.2 billion and a coupon of 5% (% of the amount issued for each series)	5.12

Issuance Summary

Standard & Poor's Ratings Services has assigned a preliminary credit rating to the €1.2 billion fixed-rate notes series I to be issued by Fondo de Titulización de Activos, Programa Independiente de Titulización de Cédulas Hipotecarias (PITCH), an SPE established in July 2007.

The underlying collateral of the cédulas hipotecarias (mortgage covered bonds; CHs) will comprise the mortgage loan books of six Spanish financial entities. These CHs, together with all other outstanding CHs from the entities issuing them, will be backed by the entire mortgage loan book of these entities.

The rating reflects the quality of the underlying collateral and the structural enhancements included, such as the liquidity line to cover defaulting fixed-rate CHs, provided by Ixis Corporate & Investment Bank (IXIS CIB; AA/Stable/A-1+).

Notable Features

Series I will be the first issuance under the PITCH program.

The SPE was established as an open fund, which means it can issue additional CH-backed notes up to a total of €50 billion. A specific pool of CHs will back each series.

Strengths, Concerns, And Mitigating Factors

Strengths

- The series I notes will be backed by CHs with good credit quality. Current overcollateralization levels, based on the mortgage book for the CHs purchased by PITCH and including this issuance, range from 1.42x to 4.07x (see "Collateral Description").
- The cash flows from the assets and liabilities for series I will be fully matched. The amount necessary to pay ongoing ordinary expenses will be funded on the issue date by the CH issuers and will be paid at each payment date, except for the commitment fee of the liquidity line to cover defaulting fixed-rate CHs. This will be paid with the excess spread from the CHs.
- The series I notes will have their own treasury account and their own liquidity line. This characteristic will be the same for all the series under the PITCH program.
- The liquidity line to cover fixed-rate CHs guarantees timely payment of interest and extraordinary expenses if any of the CHs default.

Concerns

- As CHs are guaranteed by a revolving pool of mortgage loans, overcollateralization levels change over the life of the notes, depending on the growth of the issuing entity's mortgage book, additional issuance of CHs or mortgage bonds, and use of other securitization techniques at each institution. Overcollateralization can also change as a result of a change in underwriting standards and the credit-risk management of the financial entities. Moreover, as this form of funding becomes more popular and more CHs are issued directly into the market or into structured finance transactions, overcollateralization levels for each recurrent CH issuer are decreasing. Although the series I issuance will be backed by CHs with adequate overcollateralization for a 'AAA' rating and it includes minimum levels of overcollateralization, further issuances of CHs by some of PITCH's CH issuers might decrease the available collateral.

- There is no industry diversification, because CHs are secured bonds issued by Spanish financial institutions.

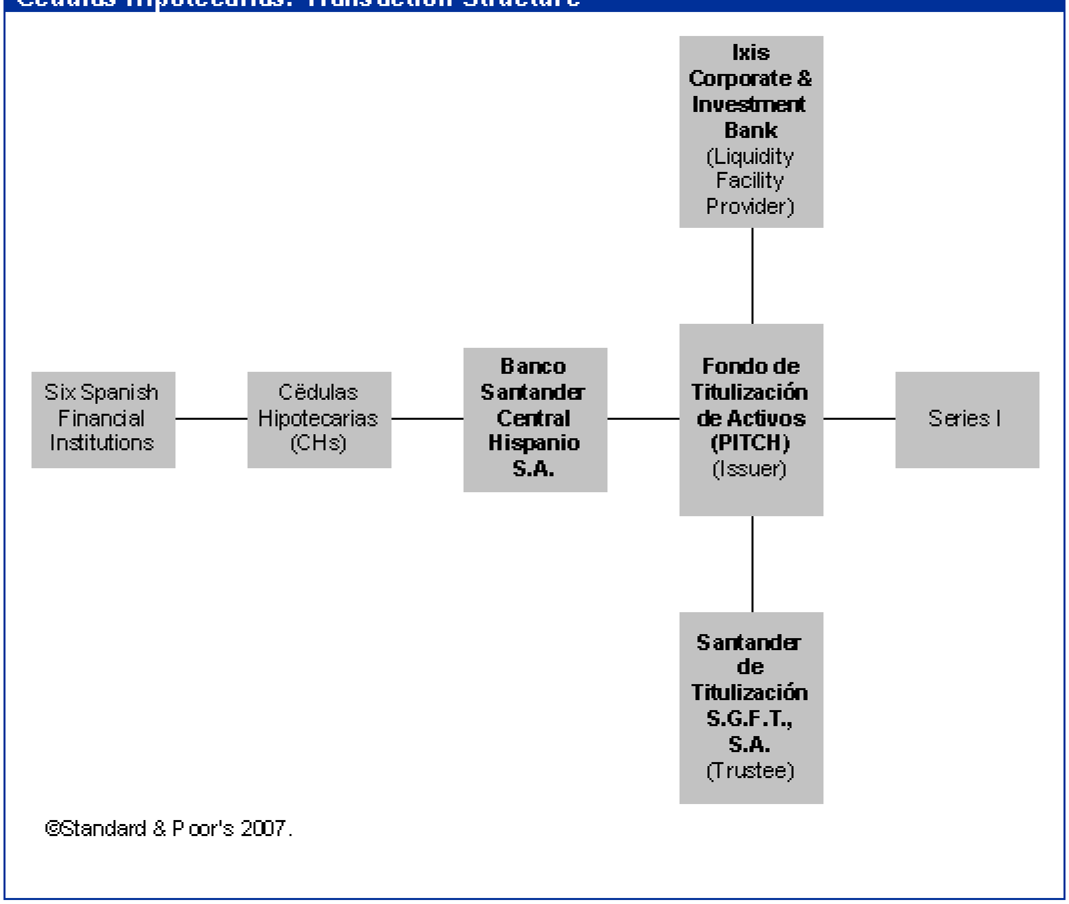
Mitigating factors

- Minimum required overcollateralization levels guarantee that if a CH defaults, there will be enough collateral to assure full recovery of interest and principal. Standard & Poor's will closely monitor the available collateral of each financial entity throughout the entire life of the transaction, and perform individual surveillance on the CHs issued by each individual CH issuer. If decreasing overcollateralization levels were to approach the minimum required levels, CH issuers would be alerted.
- Each savings bank occupies a market niche concentrated in the region where it is domiciled. A 20% risk correlation between savings banks in the same region and a 10% inter-regional correlation among savings banks were considered in Standard & Poor's default model.

Transaction Structure

In the series I issuance, the CHs issued will be subscribed by Banco Santander Central Hispano S.A. (SCH), which will sell the newly acquired CHs to PITCH (see chart).

Fondo de Titulización de Activos, Programa Independiente de Titulización de Cédulas Hipotecarias: Transaction Structure



PITCH, in turn, will issue the series I notes with a principal amount equal to the sum of the individual principal amount of the CHs.

The series I notes will have an annual fixed coupon and a 15-year bullet maturity. The final maturity date will be in July 2022. The series I issuance will have its own treasury account held at Banco Santander Central Hispano, S.A.

PITCH Program Overview

The CH issuers (Spanish financial entities) will issue individual CHs.

The individual CHs are senior secured bonds collateralized by the mortgage portfolio of each financial entity. The financial entity, through the fund manager, has stated that it has no other pledges or charges against its mortgage portfolio.

Santander Investment Bolsa, S.V.S.A. will subscribe the CHs and, in the act of constitution of the fund, will then give the CHs to the fund (by law, a fund can only buy assets; buying directly from the CHs issuers would mean buying a "liability").

The CHs are acquired by a fondo de titulización de activos (FTA), which in turn issues 'AAA' notes with a principal amount equal to the sum of the individual principal amounts of the CHs. All individual CHs of a particular issuance will have the same coupon rate, payment date, and legal maturity.

According to current Spanish legislation, CHs enjoy a preferential claim on the covered assets. This preferential claim, together with the high degree of overcollateralization of CHs, increases the probability of recovery on these instruments compared with the issuer's unsecured obligations.

Interest and principal is collateralized by each of the individual CHs. A liquidity line will be provided to cover any interest coupon payments after any of the entities default on their CHs.

In a situation where a default of one or several of the entities has taken place, the liquidity line of each series will be used to service interest payments to bondholders and ordinary and extraordinary expenses related to that specific series.

Available funds

The available funds are as follows:

- Interest on the CHs;
- Principal on the CHs;
- Penalty interest in case of arrears on CHs;
- Execution costs of the defaulted CHs;
- The liquidity facility available at this payment date;
- Interest on the treasury account; and
- Provision for the constitution and administration costs of each series.

Priority of payments

The priority of payments is as follows:

- Ordinary expenses (including administration fee), execution expenses, commitment fee, and provision for

extraordinary expenses when due;
- Interest on the notes;
- Liquidity line remuneration (interest accrued on the amounts drawn of the liquidity line);
- Repayment of liquidity line (in the expected final maturity date, it will have to be fully amortized);
- Amortization of the notes (bullet payment in the final maturity, paid through the principal of the CHs, and the amount recovered of the CHs defaulted);
- Payment of extraordinary expenses different from those resulting from the execution of the CHs if any; and
- Residual amount to the issuers.

Collateral Description

The pool comprises six individual CHs issued by six different savings banks. The total amount is €1.2 billion. The minimum ratio of eligible mortgage book to total value of the CHs is 1.42x (Banco Santander Central Hispano, S.A.), and the maximum is 4.07x (Banco Guipuzcoano, S.A.), as shown in the table below.

Summary Of Mortgage Portfolio And CHs

Originators	Value of mortgage book (Mil. €)	Eligible portfolio /mortgage book (%)	Total value of CHs issued (Mil. €)	New issuance of CHs for PITCH series I (Mil. €)	Value of mortgage book /total value of CHs (x)	Value of eligible portfolio /total value of CHs (x)
Caja de Ahorros y Monte de Piedad de Córdoba (Caja Sur)	9,833	75	2,524	300	3.9	2.9
Caja de Ahorros de Asturias	5,604	80	1,225	200	4.6	3.7
Caja Caminos Sociedad Cooperativa de Crédito (Caja Caminos)	432	38	50	50	8.6	3.3
Banco Guipuzcoano, S.A.	3,247	50	400	200	8.1	4.1
Banco Santander Central Hispano, S.A.	57,711	62	25,224	300	2.3	1.4
Banco Santander Consumer Finance, S.A.	2,509	78	1,350	150	1.9	1.5
Minimum	—	—	—	—	1.86	1.42
Maximum	—	—	—	—	8.65	4.07
Average	—	—	—	—	4.90	2.81

Current overcollateralization levels in this transaction fully mitigate the risk of potential nonrecovery of principal and interest on the insolvency of the financial entities. The amount and quality of collateral might deteriorate during the life of this transaction. The analysis is always affected by changes in the financial entities' underwriting standards and credit-risk management.

Liquidity Line To Cover Defaulting Fixed CHs

The liquidity line provided by Ixis CIB will cover interest, the commitment fee of the liquidity line if a CH defaults, and extraordinary expenses that might be incurred to enforce the collateral of a defaulted CH. Penalty interest on the CHs will cover the interest on the disposal of the liquidity line, plus a variable margin.

The liquidity line will only be used if a default in one or several CHs means that funds are insufficient to pay the noteholders. If an issuer defaults on its CH, the liquidity line will be drawn and will be senior to the redemption of the notes in the priority of payments when the defaulted CH is recovered.

Provision of extraordinary expenses

If any of the CHs defaults near the expected final maturity date of the series, part of the recovery process could take place between the expected and final legal maturity of the fund. Consequently, interest will continue to accrue if there is any outstanding principal, but it will be paid as and when recoveries are received.

Moreover, the withdrawal of the liquidity line is only possible until the expected final maturity date of the notes. Any extraordinary expenses that occur after that date due to other execution of the CHs would not be covered by the liquidity line, and a provision of 0.6% of the balance of the defaulted CH, with a minimum of €600,000, will be deposited at the expected final maturity date to cover them.

Liquidity Line Amount Needed

The calculation to size the liquidity line relies on a full recovery of principal and interest of the defaulted CH. Under current overcollateralization levels, Standard & Poor's is comfortable that there will be full recovery of principal and interest before the legal maturity date.

The amount of interest not collected due to the payment interruption of a CH is a function of the principal of each CH, the time needed to recover the full principal after default, and the interest rate payable on the CH. It will be priced at closing.

Based on an interest rate assumption of a 5.00% coupon for series I amounting to €1.2 billion, the total size of the liquidity line to cover defaulting fixed CHs of series I will be €52.8 million, 5.12% of its issued amount.

The final amount will be determined at closing and based on interest rates and amounts.

Surveillance Details

Standard & Poor's will regularly monitor the transaction to ensure that the overcollateralization levels of the financial institutions do not fall below a minimum, and that there are more floating-rate mortgages than fixed-rate mortgages, as is currently the case. Continued surveillance will be maintained on the transaction until the notes mature or are otherwise retired. To do this, regular fund manager reports detailing the performance of the underlying collateral will be analyzed, supporting ratings will be monitored, and regular contact will be made with the arranger and the fund manager to ensure that minimum standards are being maintained and that any material changes are communicated and assessed.

Criteria Referenced

- "Rating Methodology For Spanish Covered Bonds Considers Enhanced Post-Insolvency Treatment" (published on April 19, 2005).
- "Approach To Rating European Covered Bonds Refined" (published on Oct. 16, 2003).
- "Cash Flow Criteria for European RMBS Transactions" (published on Nov. 20, 2003).

- "Methodology Behind European RMBS Indices" (published on Nov. 8, 2004).
- "European Legal Criteria for Structured Finance Transactions" (published on March 23, 2005).
- "Rating Affirmations And Their Impact On Investors" (published on April 20, 2005).

Related Articles

- "New Issue: AyT Cédulas Cajas Global, Fondo de Titulización de Activos" (published on Jan. 3, 2006).
- "Spain Embraces Structural Diversity in the Securitization of Covered Bonds" (published on Dec. 2, 2004).
- "Stellar Growth In Spanish Securitization To Help It Maintain Europe's Number Two Slot" (published on June 2, 2004).
- "S&P Launches Covered Bond Monitor Analytical Tool, A Rating Agency First" (published on Feb. 11, 2006).
- "Expanding European Covered Bond Universe Puts Spotlight on Key Analytics" (published on July 16, 2004).
- "Request For Comment: Rating Criteria For Swaps In European Covered Bonds" (published on March 2, 2006).
- "Transition Study: 2006 Sees Upgrades Dominate For Third Successive Year In European Structured Finance" (published on Jan. 10, 2007).
- "S&P Predicts Basel II To Spur European Covered Bond Issuance Ever-Higher" (published on June 6, 2006).
- "European Banks Manage Capital Through Recent Mortgage Risk Transfers" (published on Dec. 9, 2005).
- "Sophistication Of Mortgage Credit Pricing To Benefit European RMBS" (published on Oct. 10, 2005).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.

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