STANDARD & POOR'S

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RMBS Presale Report

Fondo de Titulización Hipotecaria, Banesto 4

€1,500 million mortgaged-backed floating-rate notes

Analysts: Gonzalo Jiménez, Madrid (34) 91-389-6959 and José Ramón Torá, Madrid (34) 91-389-6955
Surveillance analyst: Sean Hannigan, London (44) 20-7826-3783

This presale report is based on information as of Nov. 25, 2003. The credit ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Please call one of Standard & Poor's Ratings Desks for the final ratings when assigned: London (44) 20-7847-7400, Paris (33) 1-4420-6705, Frankfurt (49) 69-33-999-223, Stockholm (46) 8-440-5916, or Moscow (7) 095-783-4017.

Class	Preliminary credit rating*	Preliminary amount (Mil. €)	Credit support (%)	Margin	Legal final maturity
A	AAA	1,455	4.1	Three-month EURIBOR plus a spread	March 15, 2038
B	A	45	1.1	Three-month EURIBOR plus a spread	March 15, 2038

**The rating on each class of securities is preliminary and subject to change at any time. Final credit ratings are 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 ratings address payment of timely interest and ultimate principal.

Transaction Profile	
Expected closing date	Dec. 4, 2003
Originator and servicer	Banco Español de Crédito, S.A.
Arranger	Banco Español de Crédito, S.A.
Seller	Banco Español de Crédito, S.A.
Security trustee	Santander Central Hispano Titulización, SGFT, S.A.
Interest rate swap counterparty	Banco Español de Crédito, S.A.
GIC provider	Banco Español de Crédito, S.A.
Collection account	Banco Español de Crédito, S.A.

Supporting Ratings	
Institution/role	Rating
Banco Español de Crédito, S.A. as bank account provider and interest rate swap counterparty	A/Positive/A-1

Transaction Key Features	
Collateral	First-lien residential mortgage loans
Principal outstanding (Mil. €)	1,500
Country of origination	Kingdom of Spain
Geographic concentration (%)	Madrid 21.28 Andalucía 20.32 Catalonia 20.04 Valencia 10.89 Others 27.47
Property occupancy	100% owner-occupied
Weighted-average LTV ratio (%)	64.22
Average loan balance (€)	71,905
Weighted-average seasoning (months)	25.50
Weighted-average liability interest rate (%)	N/A
Arrears	None
Redemption profile	Sequential and pro rata
Excess spread at closing (under the swap)(%)	0.65
Reserve fund (%)	1.1
Mortgage priority	First lien
Maximum LTV ratio (%)	79.99
Jumbo loan > €400,000 (%)	None
N/A-Not applicable. Final ratings are 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.	

Strengths, Concerns, and Mitigating Factors

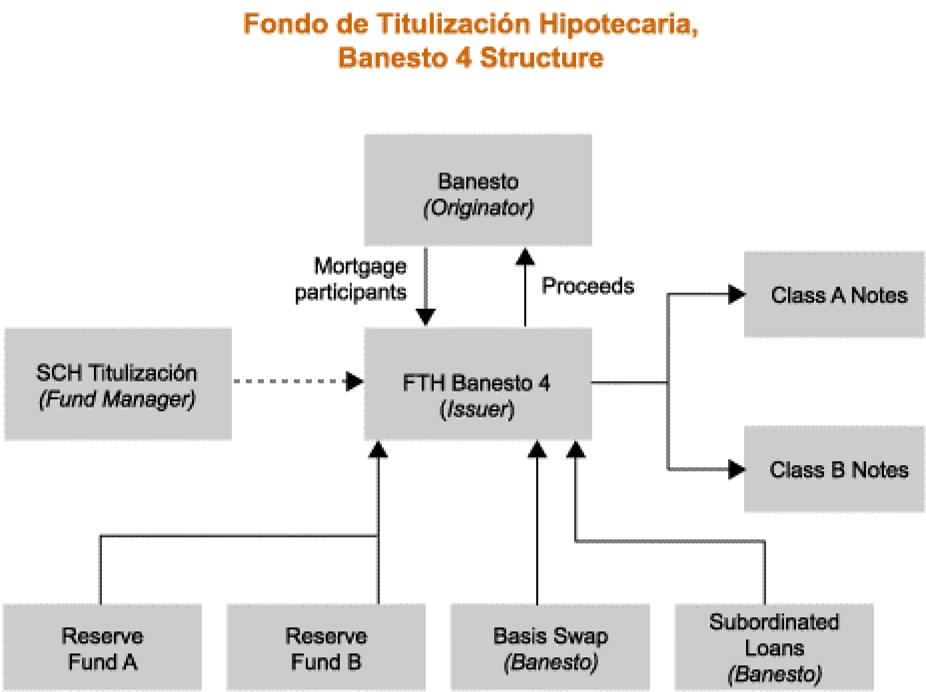
Strengths
• The strong quality of the collateral, as reflected by first-ranking residential owner-occupied mortgage loans with a weighted-average current LTV ratio of 64.22%; • The reserve fund and excess spread available to cover any interest or principal shortfalls; • The swap agreement established between the issuer and the swap counterparty and the basis swap with a guaranteed spread of 65 basis points (bps) to mitigate interest-rate risk in the transaction; and • A weighted-average seasoning of the pool of 25.5 months, indicating a less risky credit profile — since the market value of properties has risen in the last three years, borrowers have built more equity in their properties. This acts as an incentive for these borrowers not to default under their mortgages loans.

Concern
• The reserve fund will decrease from the first day of the transaction.

Mitigating Factor
• The senior and the mezzanine reserve fund will not be reduced if (i) the sum of the mortgages in arrears for more than 90 days will be less than 2.5% of the outstanding balance of the notes, or (ii) there will be a principal deficiency.

Transaction Structure

The total outstanding amount of the mortgage loans to be purchased is expected to be €1,500 million. To fund this purchase, Fondo de Titulización Hipotecaria, Banesto 4 (FTH Banesto 4) will issue two classes of floating-rate quarterly-paying notes (see chart).



The collateral will be serviced by Banco Español de Crédito, S.A. (Banesto) so long as Banesto is rated at least 'A-1', and in this role it will collect the amounts due under the mortgages. The amounts collected will be transferred within two days to the GIC account in the name of the fondo at Banesto. The amounts held will receive a guaranteed interest rate equal to the weighted-average interest rate applicable to the mortgages, less 0.65%.

The issuer will enter into an interest-rate swap agreement with Banesto to mitigate basis risk between the different indexes of the pool and the reference interest rate on the notes. The swap agreement will pay the reference rate on the notes of three-month EURIBOR plus an additional spread of 65 bps.

The notes to be issued by FTH Banesto 4 will be protected from potential credit losses on the underlying mortgages by:

- For the class A notes, the subordination of the class B notes, the reserve fund, and the excess spread from the pool; and
- For the class B notes, the reserve fund, and the excess spread from the pool.

On each quarterly interest payment date, the issuer will pay in arrears the interest due to the noteholders. For these payments, the issuer will have as available funds the proceeds from the interest-rate swap, interest earned on the GIC account, the reserve fund and, if necessary, principal received under the mortgage loans and any other proceeds received in connection with the mortgage loans.

Roles of the Parties

Fondo de Titulización Hipotecaria, Banesto 4 (Issuer)

The issuer, FTH Banesto 4, is a mortgage securitization fund. It was created for the sole purpose of purchasing mortgage participations from Banesto, issuing the notes, and carrying out related activities. The issuer will represent a distinct and closed pool of assets available for distribution to the noteholders. The assets will be insulated from the insolvency of the originator and the "*sociedad gestora"* (the fund manager).

Banco Español de Crédito, S.A. (Originator and Servicer)

Banesto was founded in 1902 and is the fifth largest bank in Spain by assets with over 3 million customers and 1,600 branches across the country. Banesto is part of the Santander Central Hispano SGFT, S.A. banking group and specializes in retail banking.

Santander Central Hispano Titulización, SGFT, S.A. (Fund Manager)

The sociedad gestora is Santander Central Hispano Titulización, Sociedad Gestora de Fondos de Titulización, S.A. The creation of the sociedad gestora was authorized by the Ministry of Economy and Treasury in December 1992. Under the legislation for mortgage securitization in Spain, the day-to-day operations of the issuer are managed by the sociedad gestora, which represents and defends the interests of the noteholders. The sociedad gestora, on behalf of the issuer, has entered into certain contracts (a GIC, a swap, and a subordinated loan) needed to protect it against certain credit losses and liquidity shortfalls that are assumed to arise in connection with holding the mortgage participations.

In this transaction, the main responsibilities of the sociedad gestora are to create the issuer, calculate the interest rate on the notes, notify noteholders of information applicable to the notes and mortgage participations, manage the reserve funds, pay the issuer's fees and expenses, and arrange for the annual audit.

Note Terms

Interest will be paid quarterly on the 15th day of March, June, September, and December starting in March 2004. Unless redeemed earlier, the notes will be redeemed at their legal maturity in March 2038. The issuer has an option to redeem all outstanding notes once their total principal balance is less than 10% of the original issue size.

Amortization

All amounts available for amortization will be used to redeem the class A notes until the ratio of the class B to class A notes equals 10%. Once the ratio equals 10%, all amounts available will be allocated pro rata to maintain this ratio, until the balance of the class B notes equals 1% of the initial balance of the pool. Once this occurs, all amounts available will be used to redeem the class A notes in their entirety. After the full redemption of the class A notes, all amounts received thereafter will be used to redeem the class B notes in their entirety.

Despite the rules outlined above, to be able to redeem the class B notes, the total amount of mortgages in arrears of 90 days or more must be equal to or less than 7% of the total outstanding balance of the mortgages.

The principal deficiency is defined as the difference between the amount targeted to be paid as principal (that is, the difference between the outstanding balance of the mortgages and the outstanding balance of the notes) and the amount that can actually be paid at this point in the priority of payments based upon the funds available.

Priority of Payments
Payments on the notes will be made in accordance with the priority of payments in the order below:

- Payment of the senior expenses of FTH Banesto 4, including the fees payable to the sociedad gestora (0.03% per year calculated on the outstanding balance of the notes), and any ordinary or extraordinary expenses reimbursable to the sociedad gestora;
- Payments on the class A swap;
- Payments of interest on the class A notes;
- Top-up senior reserve fund;
- Principal allocation priority;
- The class B swap;
- Payments of interest on the class B notes;
- Provision for an amount to restore the mezzanine reserve fund to its required balance;
- Payment of the amount on early termination of the class A swap, in case of the termination of the swap agreement due to the bank not fulfilling its duties;
- Payment of the interest due on the subordinated loan; and
- Amortization of the principal of the subordinated loan in an amount equal to the periodic amortization of the issuance expenses of Banesto 4.

Cash Reserve
The reserve funds will be funded at the start of the transaction through a subordinated loan provided by the bank.

Senior Reserve Fund
This will equal 1% of the outstanding balance of the mortgages on each payment date.

The funds will be deposited in the collection account initially opened with the bank and will be subject to the GIC so long as the short-term rating on the bank remains at least 'A-1'. The senior reserve fund will also be available to offset any losses incurred upon the liquidation of the mortgaged properties.

Mezzanine Reserve Fund
The mezzanine reserve fund will have an initial balance equal to 0.1% of the initial collateral composed of two parts:

- First, 0.05% of the outstanding balance of the mortgages on each payment date; and
- Second, equal to 0.05% of the initial collateral.

No amounts in the mezzanine reserve fund will be used to make payments on the senior notes.

Despite the above, the senior and mezzanine reserve fund will not be reduced if, after the allocation of payments, on any payment date:

- The sum of the mortgages in arrears for more than 90 days is less than 2.5% of the outstanding balance of the notes. Arrears over 18 months will be computed by the amount of the outstanding principal balance of the mortgage at that point; or
- There is a principal deficiency.

Accounts
FTH Banesto 4 will enter into a GIC with the bank so that the bank will guarantee a rate of interest equal to the weighted-average interest rate applicable to the mortgages during the quarterly period ending on each payment date, less 0.65%, to all amounts deposited in the collection account initially opened with the bank.

In the event that the short-term rating on the bank falls below 'A-1', the collection account will be moved to another institution and consequently it will cease to benefit from the GIC. If this should happen, the sociedad gestora will be obliged to establish the collection account with an 'A-1' rated institution under the most favorable terms available.

Swap Agreement
FTH Banesto 4 will enter into two swap contracts with the bank to maintain excess spread at 0.65%.

The issuer, FTH Banesto 4, will pay an amount calculated by multiplying the weighted-average interest rate on the mortgages, less 0.65%, by the notional principal balance of each swap as defined below.

The issuer will receive from the swap counterparty an amount calculated by applying the weighted-average interest rate on the notes applicable to the notional principal balance of each swap.

The notional principal balance of the class A swap and the class B swap will correspond to the outstanding balance of each class of notes.

In the event of a downgrade of the bank's short-term rating below 'A-1', within 30 business days of when the notification of this circumstance is made, the bank will:

- Make a cash deposit or a securities deposit in favor of FTH Banesto 4 for an amount equal to the market value of the swap;
- Find a third party with a short-term rating of at least 'A-1' to guarantee the fulfillment of its contractual obligations; or
- Find a third party with a short-term rating of at least 'A-1' to assume its contractual position and substitute it before terminating the swap agreement with the bank.

All three of the above solutions are subject to the terms and conditions that the sociedad gestora and Standard & Poor's deem pertinent to maintain the ratings assigned to each class of notes. Any costs, expenses, and taxes incurred from breach of the above obligations will be payable by the bank.

Cash Flow Stress Test

Standard & Poor's analysis includes a conservative assessment of the credit risk inherent in the transaction. The credit enhancement levels have been sized after analyzing the impact that severe stress scenarios would have on the mortgage loan collateral. As a result of this analysis, Standard & Poor's estimated the largest amount of potential losses that could occur as a result of these stress scenarios and set the amount of loss protection required on the notes.

Specific penalties were applied with respect to the levels of aggregate defaults expected on the pool to reflect the foreclosure frequency attached to specific assets and/or the location of assets, and any terms and conditions that might increase or decrease credit risk. Standard & Poor's analysis fully reflects the specific features of the Spanish market with respect to loss severity, regarding foreclosure costs and foreclosure periods.

A cash flow model simulating the portfolio's performance within the transaction's documented structure was run under certain rating scenarios to stress liquidity and the level of excess spread in the transaction. Prepayment level, fees and expenses paid by the issuer, and delinquencies were the most important parameters stressed in all the runs.

Surveillance Details

Continual surveillance will be maintained on the transaction until the notes mature or are otherwise retired. To do this, regular servicer reports detailing the performance of the underlying collateral will be analyzed, supporting ratings will be monitored, and regular contact will be made with the servicer to ensure that minimum servicing standards are being sustained and that any material changes in the servicer's operations are communicated and assessed.

Analyst E-Mail Addresses

gonzalo_jimenez@standardandpoors.com
jose_tora@standardandpoors.com
sean_hannigan@standardandpoors.com
StructuredFinanceEurope@standardandpoors.com