New Issue: Golden Bar (Securitisation) S.r.l.

€800 Million Limited-Recourse Asset-Backed Floating-Rate Notes Series 1 2009 GB IV

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Ratings Detail

<table>
<thead>
<tr>
<th>Class</th>
<th>Rating*</th>
<th>Amount (mil. €)</th>
<th>Available credit support (%)</th>
<th>Interest</th>
<th>Legal final maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>AAA</td>
<td>648</td>
<td>21.5</td>
<td>Three-month EURIBOR plus 60 bps</td>
<td>October 2026</td>
</tr>
<tr>
<td>B</td>
<td>BBB</td>
<td>124</td>
<td>6.0</td>
<td>Three-month EURIBOR plus 130 bps</td>
<td>October 2026</td>
</tr>
<tr>
<td>C (junior notes I)</td>
<td>NR</td>
<td>28</td>
<td>N/A</td>
<td>Variable</td>
<td>October 2026</td>
</tr>
</tbody>
</table>

*Standard & Poor’s ratings address timely interest and ultimate principal of this series 1 2009 GB IV under the program. ¶This includes a 2.5% cash reserve fully funded at closing (see “Cash reserve”). EURIBOR—European interbank offered rate. NR—Not rated. N/A—Not applicable.

Transaction Participants

Originator       Santander Consumer Bank SpA
Arranger         Banco Santander S.A.
Seller           Santander Consumer Bank SpA
Servicer         Santander Consumer Bank SpA
Representative of the noteholders Deutsche Trustee Co. Ltd.
Interest swap counterparty for series 1 2009 Banco Santander S.A.
Subordinated loan provider (for the cash reserve injection) Santander Consumer Bank SpA
Account bank, principal paying agent, and custodian Deutsche Bank AG, London branch
Italian paying agent and sub-custodian Deutsche Bank SpA
Luxembourg paying agent Deutsche Bank Luxembourg S.A.

Supporting Ratings

Institution/role                               Ratings
The London branch of Deutsche Bank AG as account bank, custodian and the parent company of Deutsche Bank SpA as sub-custodian A+/Stable/A-1
Banco Santander S.A. as interest swap counterparty for series 1 2009 AA/Negative/A-1+

Transaction Key Features As Of Nov. 4, 2009

Collateral       Consumer loans
Description       A portfolio of consumer loans originated by Santander Consumer Bank SpA
Country of origin Italy
Concentration     Northern Italy 45.10%, central Italy 25.27%, and southern Italy 29.63%
Total receivables (€) 800,001,181

Loan type composition limits during the revolving period:
- New car loans, equal to or higher than 50%; used car loans, equal to or lower than 25%;
- personal loans equal to or lower than 35%; and other purpose loans, equal to or lower than 8%

Weighted-average loan size of the initial portfolio (€) 13,669
Loan size range of the initial portfolio (€) 65.19 to 75,152.23
Weighted-average seasoning of the initial portfolio (months) 8.3
Transaction Summary

Standard & Poor’s Ratings Services has assigned credit ratings to the €772 million limited-recourse asset-backed notes series 1 2009 GB IV issued by Golden Bar (Securitisation) S.r.l. Golden Bar also issued €28 million unrated limited recourse asset-backed notes.

At closing, the issuer will issue the series 1 2009 GB IV notes under a new program to fund the purchase of all monetary claims and connected rights arising from a portfolio of consumer loan contracts originated by Santander Consumer Bank SpA.

The originator, Santander Consumer Bank, provides a range of retail and commercial banking and other financial services to domestic customers in Italy, with services currently focused on consumer credit, personal loans, car leasing, and credit card loans.

In accordance with the transfer agreement, during the revolving period, the issuer may purchase quarterly subsequent portfolios of loans. The purchases of subsequent receivables during the revolving period will be funded from the series 1 2009 principal available funds.

The program benefits from various early amortization triggers (see "Purchase termination events") that are monitored throughout the life of the program.

At closing, Santander Consumer Bank granted a €20 million limited-recourse subordinated loan to fund the cash reserve to 2.5% of the principal amount outstanding of all the notes (including the junior notes) as of the issue date. The target amount of the cash reserve may amortize subject to certain conditions (see "Cash reserve").

Notable Features

This will be the first issuance under the fourth Golden Bar asset-backed medium-term note (MTN) program. The new program allows Golden Bar to issue up to €2.5 billion in limited-recourse euro-denominated MTNs (subject to the conditions outlined in "Program Structure"). The notes issued under different series will be secured by the aggregate value of the initial and additional portfolios bought by the issuer at the closing of each series and of the subsequent portfolios purchased by it quarterly during the revolving period.
Golden Bar, the issuer, is a limited liability company incorporated in the Republic of Italy under Article 3 of Italian law No. 130 dated April 30, 1999 (the "Securitization Law"). The issuer has already engaged in similar transactions, the most recent ones being Golden Bar (Securitisation) S.r.l. III series 1 2008 closed in December 2008 and Golden Bar (Securitisation) S.r.l. II series 1 2008 closed in March 2008. Previously, the issuer issued four series of notes in connection with the first program, set up in 2004, totaling €2.1 billion.

This fourth program is very similar to the third program, but with some differences:

- Caps and floors set for the various sub-pools in the portfolio and applicable during the revolving period have been slightly changed to account for the current different composition of the total originator portfolio and different performance of the sub-pools. In particular: (i) personal loans now can reach a lower percentage of the portfolio (35%, versus 45% previously); (ii) the floor for new vehicle loans has increased to 50% from 47%; (iii) the cap for used auto loans was increased to 25% from 12%; and (iv) a cap of 8% was introduced for other purpose loans (whereas no limit was set previously).
- The structure of the cash reserve and its amortization conditions were modified (see "Cash reserve").
- The swap structure has been changed (see "Swap structure").
- The minimum excess spread guaranteed during the revolving period has been substituted by a limit to the weighted-average internal rate of return equal to 7.4% for the aggregate portfolio, including loans of the initial portfolio and of any subsequent and additional claims to be purchased.

**Strengths, Concerns, And Mitigating Factors**

**Strengths**

- The target cash reserve amount of 2.5% of the initial amount of the notes (i.e., €20 million) will be fully funded at closing through a subordinated loan granted by Santander Consumer Bank. The structure has principal deficiency ledger (PDL) mechanisms in place to trap the excess spread to cover the outstanding amount of the defaulted loans experienced up to the relevant period.
- If the transaction performs worse than expected during or after the revolving period, a purchase termination event will occur and the notes of all the series will start to redeem pro rata (see "Purchase termination events").

**Concerns and mitigating factors**

- During the three-year revolving period of this first series, the portfolio composition and therefore its credit quality might change. As a mitigating factor, the transaction structure contains triggers for the early termination of the revolving period (see "Purchase termination events").
- The portfolio yield might be compressed during the revolving period. According to the substitution conditions, the weighted-average internal rate of return of the total portfolio (including any subsequent or additional loans purchased from time to time) cannot be lower than 7.4%. As a mitigating factor, the swap counterparty will pay the issuer an interest rate based on the European interbank offered rate (EURIBOR) under the relevant series notes, plus the weighted-average spread on the rated notes plus a certain margin (3.75%), in exchange of the payment by the issuer of a proxy of the actual interest installments received by the issuer on the performing portfolio (excluding defaulted loans) during the preceding quarterly collection period. The swap notional is the same for the two legs and equals the three-month average of the performing portfolio (excluding only defaulted loans) as at the beginning of each month during the preceding quarterly collection period.
- Collections stay in one or more accounts opened in the servicer’s name for one business day (or three business
days in exceptional circumstances that cause an operational delay in the transfer), before being transferred into an eligible account opened in the issuer's name. If either the servicer or its banks become insolvent, part of the portfolio collections could be frozen or lost. To account for this commingling risk an amount equal to one month's collection of interest and principal (which includes a certain amount of assumed prepayments) was sized as a loss in the cash flow model.

- When more than one series is outstanding under the program and a purchase termination event occurs, the interest priority of payment for each series of notes will be maintained separately. In particular, the payment of interest on each series of rated notes and the single series payments for the swap will not be made pro rata among the different series, but through the allocation of the relevant single series interest available funds (i.e., a pro rata amount of the total program interest issuer available funds plus, among others, amounts received under the relevant series swap agreements). If the swap payments and interest on the rated notes differs significantly between series, the interests of a mezzanine class of notes of one series may be paid before the interest on the most senior class of notes belonging to another series. When new series are issued we will account for this potential ranking of payments in our rating analysis.

**Program Structure**

New series can be issued under this program subject to the following conditions:

- We confirm that the issuance of each series of notes will not result in a reduction or withdrawal of the ratings on any of the then-outstanding series of notes.
- Each class of notes in the series will be assigned a rating no lower than the rating on any of the then-outstanding notes of the same class.

The collateral securing each series or class of notes will comprise the entire portfolio of receivables purchased by the issuer under the transfer agreement at the closing of each series or during the revolving periods (see chart 1). The noteholders will have rights over the entire portfolio (subject to the priority of payments), irrespective of the issue date of the series or class of notes in which they have invested, or when the receivables were purchased by the issuer.
Before a purchase termination event occurs (see "Purchase termination events"), notes of different series will be redeemed at the higher of (i) their scheduled amortization amount and (ii) the relevant series' ratio of the program principal available funds (see "Priority of payments").

After a purchase termination event has occurred, the revolving period stops, no additional issuance of series is allowed. After the revolving period, the program available funds will be used first to pay all the class A notes of any series, and then sequentially to pay all the class B, C, and junior notes of all series.

Unlike principal payments, both before and after a purchase termination event, the program interest available funds will instead be allocated to each series on the basis of the relevant series' ratio (see "Priority of payments"). In particular, all the interest and swap payments are not made pro rata among all the series but rather through each single series interest available funds in accordance with the relevant single series interest priority of payment.

**Consumer loan regulation in Italy**

Under the Consolidated Banking Act, when the originator of a consumer loan contract assigns the loan, borrowers can still exercise any defense (including setoff) against the assignee that they had against the original lender.
Debtors may, therefore, obtain a right of setoff or other right of defense against the issuer regarding any of the originator's obligations to the debtor.

The originator will undertake not to open bank accounts for any of the assigned debtors and not enter into any legal relationship with any debtor that could lead to a claim by the relevant assigned debtor over the originator.

**Originator**
The originator, Santander Consumer Bank, is an Italian bank founded in 1988. It provides a range of retail and commercial banking and other financial services to domestic customers in Italy, with services currently focused on consumer credit, personal loans, car leasing, and credit card loans.

Santander Consumer Bank is one of the main players in the Italian consumer loan market. According to Assofin (the Italian association for consumer credit and mortgages), at June 2009, the originator had a market share of 5.9% of the total Assofin business volumes, making it the seventh-largest in the Italian consumer credit market.

**Revolving period**
Under this issuance from the closing date up to the revolving period termination date, the issuer can purchase subsequent receivables.

For this series the revolving period termination date will be the earlier of (i) 20 January 2013, and (ii) the day a purchase termination event notice is delivered by the computation agent to the issuer.

The originator will offer for sale to the issuer, on a quarterly basis, subsequent pools of monetary claims and other connected rights arising from subsequent portfolios of consumer loans in compliance with certain documented eligibility criteria. These portfolios will therefore have substantially the same characteristics as the initial portfolio. The issuer will pay the originator the purchase price for the subsequent claims on each interest payment date (IPD) according to the priority of payments for the series 1 2009 principal available funds, and subject to the availability of funds.

The originator has undertaken to transfer subsequent claims only if it would mean that the whole portfolio on any IPD had (i) a weighted-average internal rate of return of the aggregate portfolio (including any subsequent or additional loans to be purchased from time to time) of at least 7.4%, and (ii) the following composition:

- Personal loans must not account for more than 35% of the whole portfolio;
- New car loans must account for at least 50% of the whole portfolio;
- Used car loans must not account for more than 25% of the whole portfolio;
- Other purpose loans must not account for more than 8% of the whole portfolio;
- Consumer loans paid through post transfer must not account for more than 30%; and
- Consumer loans originated in southern Italy must not account for more that 35%.

**Purchase termination events**
The revolving period and the additional issuance period (i.e., the period when new series can be issued under the program) may be terminated by a purchase termination event. These events will include:

- The default ratio rolling average for the immediately preceding collection period being higher than 1.5%;
- The arrears ratio rolling average for the immediately preceding collection period being higher than 6%;
- The collateral ratio being lower than 95% for the three immediately preceding collection periods;
• The originator failing to transfer subsequent portfolios for three consecutive IPDs;
• On any IPD, a debit balance remaining outstanding on one or more PDLs, after the issuer has paid any required amounts; or
• The amount to be deposited in the cash reserve on the immediately following IPD not being equal to the target cash reserve amount.

Other termination events will be:

• A breach of obligations by the originator;
• A breach of representation by the originator;
• Originator insolvency; and
• Winding-up of the originator.

Defaulted claims according to the program are (i) the claims under which there are six or more consecutive or inconsecutive unpaid monthly instalments, or (ii) under which, following the relevant final maturity date, there is at least one instalment that is an unpaid monthly instalment for six or more months.

Priority Of Payments

Single series interest priority of payment (before and after a purchase termination event, but before an enforcement event)

At any IPD before an enforcement event the total program interest available funds will be allocated pro rata to each series according to the single series ratio (i.e., the principal amount outstanding of the single series, divided by the total principal amount outstanding of all the series issued under the program). The derived single series interest available funds will then be applied as shown in table 1.

<table>
<thead>
<tr>
<th>Available Fund Order</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The single series ratio of all taxes payable by the issuer</td>
</tr>
<tr>
<td>2</td>
<td>The single series ratio of all outstanding fees, costs, and expenses</td>
</tr>
<tr>
<td>3</td>
<td>The single series swap counterparty (other than amounts subordinated)</td>
</tr>
<tr>
<td>4</td>
<td>The single series ratio of all amounts due and payable to the servicer</td>
</tr>
<tr>
<td>5</td>
<td>Interest payable on the class A notes of the single series</td>
</tr>
<tr>
<td>6</td>
<td>Reduction of the single series class A note PDL</td>
</tr>
<tr>
<td>7</td>
<td>Interest payable on the class B notes of the single series</td>
</tr>
<tr>
<td>8</td>
<td>Reduction of the single series class B note PDL</td>
</tr>
<tr>
<td>9</td>
<td>Reduction of the single series junior notes PDL</td>
</tr>
<tr>
<td>10</td>
<td>Amount required to replenish the cash reserve up to its target amount</td>
</tr>
<tr>
<td>11</td>
<td>Retain in the collection account the respective program interest shortfall</td>
</tr>
<tr>
<td>12</td>
<td>Other junior items</td>
</tr>
</tbody>
</table>

Item 11 above allows those series of notes having an excess spread available at that level to cure pro rata any potential shortfalls (in the payment of item 1 to 10) that might be experienced by other series' priority of payments. The amount trapped at that level will become part of the single series available funds of those series suffering a shortfall.
At any payment date, the PDL at program level will be debited with the amount of defaults experienced by the transaction during the previous collection period as follows:

(i) PDL allocation among classes of notes

- The junior notes PDL;
- The class B notes PDL; and
- The class A notes PDL.

Then (ii) allocation among series

The amount debited to the various PDLs will then be apportioned among the single series junior notes or the class A and B note PDLs.

This is so that the amount debited to each single series junior or the class A and B note PDLs will be a share of the aggregate amount debited to the junior or the class A and B note PDLs. This will be calculated by reference to the ratio of:

- The principal amount outstanding of the applicable single series junior notes or class A and B notes; and
- The principal amount outstanding of the junior or class A and B notes of all single series.

At the time of the series 1-2009 issuance the single series ratio will equal 1.

**Single series principal priority of payment (before a purchase termination event and before an enforcement event)**

Provided that no purchase termination event has occurred, the program principal available funds will be allocated at each payment date to each series following a strictly chronological order of issuance—with the oldest series (currently this is the first series ranking senior to the most recent ones)—on the basis of the lower of:

- The greater of (i) the relevant series’ ratio of the program principal available funds, and (ii) the difference (if positive) between the principal amount outstanding of the relevant series and the expected target outstanding amount (as defined in the final terms of the relevant series); and
- The difference between the principal amount outstanding of the relevant single series and the amount that might be outstanding under that series’ PDL.

Each single series’ principal available funds will be used to pay the purchase price of subsequent receivables if that series is still in its revolving period, or if the revolving period has ended, to redeem the notes within a series in the following order:

- No principal amounts are payable for the class B or junior notes until the class A notes are fully redeemed.
- No principal amounts are payable for the junior notes until the class A and B notes are fully redeemed.

**Program principal priority of payment (after a purchase termination event and before an enforcement event)**

When a purchase termination event occurs, the revolving period will stop. The program principal available funds will not be allocated to the various series, but used to redeem pro rata all the series starting from the class A notes of all series to the junior class of notes of all series. If a purchase termination event occurs within 18 months of closing, proceeds from principal repayments will remain in the collection account until the first IPD occurs 18 months after
Collections
Payments are credited to the originator’s collection accounts. Within one business day—or three business days for exceptional circumstances that cause an operational delay in the transfer—the servicer transfers all amounts received for the receivables into the collection account opened in the name of the issuer with the London branch of Deutsche Bank AG. The receivables also include the right to receive prepayments and proceeds from recoveries.

As collections are first deposited into the accounts of the servicer, and the servicer and its account banks are not suitably rated, a credit loss of one month’s collection of interest and principal (which include a certain amount of assumed prepayments) was sized in the cash flow model (deducting this amount from collections as at the first month of the transaction).

During a collection period, the issuer may invest in eligible investments amounts in its collection account and the cash reserve account. The issuer has opened a securities account with the London branch of Deutsche Bank. All eligible investments bought by or for the issuer will be deposited in this account.

Interest swap agreement
A mismatch exists between the floating rate on the notes and the fixed rate on the consumer loan agreements. To mitigate this risk, the issuer entered into a swap agreement with Banco Santander S.A.

Under this agreement, the issuer pays a proxy of the actual interest installments received by the issuer on the performing portfolio (excluding defaulted loans) during the preceding quarterly collection period.

In return, the swap counterparty pays the issuer an interest rate based on the EURIBOR payable under the relevant series notes, plus the weighted-average spread on the rated notes, plus a certain margin (3.75%).

The swap notional is the same for the two legs and equals the three-month average of the performing portfolio (excluding only defaulted loans) as at the beginning of each month during the preceding quarterly collection period.

At the single series level, the swap agreement does not change during the revolving period. At a program level, different series have different swap agreements.

In our analysis, we assume that a replacement of the ineligible counterparty will occur. However, given the bespoke nature of this swap, it may be more difficult to find a replacement. Therefore, the market should understand and consider the risk of downgrade of the transaction if a replacement is not found.

Security for the notes
Under the terms of Article 3 of the Italian securitization law, the assets relating to each securitization are segregated from all other assets of the company purchasing the receivables. The assets are available, both before and after a winding up of the issuer, only to satisfy the issuer’s obligations to the noteholders and certain other creditors involved in the securitization of the receivables.

As a result, no specific security is created on the consumer loans portfolio. However, security for the series 1 2009 GB IV noteholders has been created over certain assets of the issuer, notably on those to which it is a party under the transaction documents.

Under Article 4 of the same law, the assignment of receivables can be perfected against the seller, assigned debtors,
and third-party creditors by publishing a notice in the Official Gazette of the Republic of Italy and in the relevant companies' register. Only after publication can the issuer pay the originator for the additional portfolio.

**Interest on the notes**
Interest on the series 1 2009 GB IV rated notes will be payable in euros quarterly in arrears on the 20th of January, April, July, and October each year. The rate of interest will be equal to three-month EURIBOR plus a class-specific margin. The legal final maturity of this first series of notes will fall in October 2026.

**Redemption of the notes**
On any payment date and starting from the IPD falling after the revolving period termination date, principal payments to the noteholders will be made from the issuer's available funds following the priority of payments applicable before or after a purchase termination event as applicable. If 18 months have not elapsed since closing, proceeds from principal repayments will remain in the collection account until the first IPD occurs 18 months after closing.

**Optional redemption in full**
The issuer may redeem all the rated notes of all the series (in whole but not in part) by paying the noteholders the principal amount outstanding, plus any interest accrued on the notes, on any IPD, when (i) the portfolio outstanding amount is equal to or lower than 10% of the initial portfolio outstanding amount, and (ii) the principal amount of each outstanding series is equal to or lower than 10% of the initial principal amount of that series.

**Redemption for taxation**
If the issuer becomes aware that it must withold or deduct any amounts from any payment in relation to the notes, then the issuer may redeem all of the rated notes outstanding in whole by paying their principal amount outstanding plus any accrued interest.

**Final redemption**
The final legal maturity date will be the IPD in October 2026.

**Cash reserve**
The cash reserve will be funded at closing through a subordinated loan of €20 million from Santander Consumer Bank to the issuer, equal to 2.5% of the principal amount outstanding of all the notes at the issue date. This percentage is the current target cash reserve amount.

However, at a given IPD subject to certain amortization conditions, the target cash reserve amount can be reduced to the lower of:

- € 20 million; and
- The greater of: (i) €4 million; and, (ii) 5% of the outstanding principal amount of the notes at such IPD (following the issuer making interest payments under the notes on that IPD).

The amortization conditions are that:

- The cash reserve equals (or exceeds) the target cash reserve amount on the IPD when the reduction will become effective (upon making all the payments and provisions to be made on that IPD);
- The principal deficiency ledgers are either zero, or have been reduced to zero;
- The aggregate outstanding principal of all arrears claims as at the end of the immediately preceding collection period does not exceed 6% of the initial portfolio outstanding amount;
• At least 18 months have elapsed since the last single series issue date;
• The single series revolving period has already expired.

Collateral Description

Receivables are classified in four categories:

• Personal loans: loans without specific purpose granted and advanced to the borrowers directly or to a third-party selected by the borrowers.
• New car loans: loans granted for the purchase of either boats or vehicles (including cars, motorbikes, caravans, and commercial vehicles) registered within the past 12 months with the Car Registration Board ("Pubblico Registro Automobilistico") as at the date of execution of the relevant consumer loan.
• Used car loans: loans granted for the purchase of either boats or vehicles (including cars, motorbikes, caravans, and commercial vehicles) registered more than 12 months ago with the Car Registration Board as at the date of execution of the relevant consumer loan.
• Other purpose loans: loans exclusively aimed at the purchase of goods other than new and used vehicles granted to the relevant borrower.

All the loans are fixed-rate contracts. As of Nov. 4, 2009, the weighted-average internal rate of return of the initial portfolio was 7.56%. The minimum weighted-average internal rate of return during the revolving period over the aggregate portfolio was 7.4%.

Tables 2 and 3, and the map, show the pool characteristics.

Table 2

<table>
<thead>
<tr>
<th>Key Information On The Additional Portfolio (As Nov. 7, 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal amount outstanding (mil. €)</td>
</tr>
<tr>
<td>Number of contracts</td>
</tr>
<tr>
<td>Weighted-average outstanding principal balance (€)</td>
</tr>
<tr>
<td>Weighted-average seasoning (months)</td>
</tr>
<tr>
<td>Weighted-average remaining life (months)</td>
</tr>
</tbody>
</table>

Table 3

<table>
<thead>
<tr>
<th>Breakdown Of The Additional Portfolio (As Of Nov. 4, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding balance (mil. €)</td>
</tr>
<tr>
<td>Minimum 50%</td>
</tr>
<tr>
<td>Maximum 25%</td>
</tr>
<tr>
<td>Maximum 8%</td>
</tr>
<tr>
<td>Maximum 35%</td>
</tr>
<tr>
<td>Number of contracts</td>
</tr>
<tr>
<td>Weighted-average interest rate (%)</td>
</tr>
<tr>
<td>Weighted-average original term (months)</td>
</tr>
<tr>
<td>Weighted-average seasoning (months)</td>
</tr>
<tr>
<td>Weighted-average remaining life (months)</td>
</tr>
</tbody>
</table>
Credit And Cash Flow Analysis

Default rates
We received historical static default data from Q1 2002 to Q2 2009 showing the defaults experienced by the originator for the loans originated between Q1 2002 to Q4 2008, split among four different pools highlighted above.

Defaulted claims are the claims under which there are six or more consecutive or nonconsecutive unpaid monthly instalments, or (ii) under which, following the relevant final maturity date, there is at least one installment which is an unpaid monthly installment from six or more months.

We reviewed the historical information provided for the different pool types to be included in the underlying collateral. In accordance with our consumer loan methodology, our gross default assumptions for each pool are shown in table 4.
Defaults were assumed to occur evenly over a recession period of 18 months for all pools, rather than 36 months considering the short average remaining life of each pool.

### Recoveries

Historically, defaulted loans have been sold by the originator to the Santander Consumer Finanzia S.r.l. (formerly FC Factor S.r.l.) for a price of 30%. Santander Consumer Finanzia is wholly owned by Santander Consumer Bank and it is also specialized in offering factoring services to third parties. We assumed that the recovery base-case rate achieved by the transaction after three years would reach 15%, whether the defaulted portfolio is sold to Santander Consumer Finanzia or another factor, or whether it is worked out by a servicer for the benefit of the issuer. The following stressed recovery rates at each rating level are the following (see table 5).

#### Table 5

<table>
<thead>
<tr>
<th>Recovery Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AAA</strong></td>
</tr>
<tr>
<td>Stressed recovery rate (%)</td>
</tr>
</tbody>
</table>

We assumed 100% of recoveries to flow in after 36 months from default for all the pools.

### Prepayment

For each loan, the borrower’s monthly constant installment comprises an interest and principal component. For the unscheduled prepayments, we tested the cash flows under high and low constant payment rate (CPR) scenarios. In the cash flow modeling, prepayment stresses were applied from the beginning of the transaction. Personal loans were the ones that showed the highest prepayment rates in accordance with the prepayment dynamic data received by the originators and therefore were assumed to carry a higher level of CPR. The assumptions used for the different pools are shown in table 6.

#### Table 6

<table>
<thead>
<tr>
<th>Constant Payment Rate (CPR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High CPR (%)</strong></td>
</tr>
<tr>
<td>New car loans</td>
</tr>
<tr>
<td>Used car loans</td>
</tr>
<tr>
<td>Other purpose loans</td>
</tr>
<tr>
<td>Personal loans</td>
</tr>
</tbody>
</table>
Delinquency rate
Delinquency rates equal to two-thirds of defaults applicable to the pools at each rating level were applied in the cash flow model on the outstanding portfolio over a 36-month period starting at the beginning of the transaction. Full recoveries were assumed to be received after a period of six months.

Interest rates
We model three different interest rate scenarios—rising, falling, and stable—using both high and low prepayment assumptions. Interest rates always start from the rate experienced at the time of modeling. For example, in the rising interest rate scenario, EURIBOR rises by 2% per month to a ceiling of 12%, where it remains for three years. Then it steps down by 2% per month until it once again reaches the interest rate level at the time of modeling. For falling interest rates, interest rates fall by 2% per month to a floor of 2%, where they remain for the rest of the transaction's life. We assumed the interest rate sensitivity to a floor of 0%. For stable interest rates, the interest rate remains at the current level throughout the life of the transaction. Note that we revise interest rate scenarios if there is sufficient evidence to warrant doing so.

Reinvestment rate
Our analysis assumes that the transaction will suffer from a lower margin on reinvested redemption proceeds and other cash held in the issuer, compared with the margin being received on the underlying assets. If the issuer receives and re-invests proceeds throughout the quarter and during the lock-out period, then the reinvestment rate is assumed to be the index minus a rating-dependent margin, with a floor of 0%.

Portfolio yield and yield compression
The assumed portfolio yield was the minimum weighted-average internal rate of return during the revolving period over the aggregate portfolio equal to 7.4%.

We applied no yield compression stress, since the swap counterparty pays the issuer the EURIBOR interest rate under the notes, plus the weighted-average spread on the rated notes, plus a margin (3.75%) under the interest swap agreement, in exchange for the issuer paying the counterparty a proxy of the actual interest installments received by the issuer on the performing portfolio.

Worst case assumptions
Given that the pool is revolving and the portfolio characteristics could change significantly, during the revolving period, we created a "worst-case" pool based on the limits to be complied with by the parties in accordance with the program documents.

The worst-case assumption was reflected in:

(i) The pool composition

The worst-case pool was assumed to comprise:

- 50% of loans for the purchase of new cars;
- 15% of loans for the purchase of used cars;
- No loans for other purposes; and
- 35% of personal loans.

And;
(ii) The yield of the underlying collateral

The portfolio yield must be at least equal to 7.4% (which is the minimum weighted-average internal rate of return during the revolving period). We gave no credit to the higher yield carried by the initial portfolio (see "Portfolio description").

Commingling

A credit loss of one month’s collection of interest and principal (which include a certain amount of assumed prepayments) was sized in the cash flow model deducting this amount from collections as at the first month of the transaction.

Additional stresses

In addition to the above stresses, the interest rate earned on the issuer transaction account, fees relating to servicing the portfolio were also stressed in the cash flow modeling.

Cash flow results

Our approach to rating structured finance transactions is to assess whether the cash flows generated by the pool of assets are sufficient to ensure timely payment of interest and ultimate payment of principal by the legal final maturity date of the liabilities. The stresses were therefore applied to the transaction under the following cash flow scenarios at each rating level:

• Flat EURIBOR—low prepayment level—evenly distributed defaults;
• Flat EURIBOR—high prepayment level— evenly distributed defaults;
• Rising EURIBOR—low prepayment level—evenly distributed defaults;
• Rising EURIBOR—high prepayment level— evenly distributed defaults;
• Falling EURIBOR—low prepayment level—evenly distributed defaults; and
• Falling EURIBOR—high prepayment level—evenly distributed defaults.

Scenario Analysis

As part of a broad series of measures that we announced in 2008 to enhance our analytics and dissemination of information, we have committed to provide a "what-if" scenario analysis in rating reports to explain key rating assumptions and the potential impact of positive or negative events on the ratings (see "A Listing Of S&P’s New Actions Aimed At Strengthening The Ratings Process" in "Related Research").

This scenario analysis section incorporates:

• A description of our methodology and scenario stresses;
• Results of the effects of the stresses on ratings; and
• Results of the effects of the stresses on our cash flow analysis.

Methodology

When rating European auto, consumer, and lease asset-backed securities (ABS) transactions, we have developed a scenario analysis and sensitivity testing model framework. This demonstrates the likely effect of scenario stresses on the ratings in a transaction over a one-year outlook horizon. For this asset class, we consider scenario stresses over a
one-year horizon to be appropriate given the relatively short weighted-average life of the assets backing the notes. For these types of securities, there are many factors that could cause the downgrade and default of a rated note, including asset performance and structural features. However, for the purposes of this analysis we focused on the three fundamental drivers of collateral performance, namely:

- Gross loss rate;
- Recovery rate; and
- Prepayment rate.

Given current economic conditions, the proposed stress scenarios reflect negative events for each of these variables. Increases in gross default rates could arise from a number of factors, including rises in unemployment and company insolvencies, together with falls in property prices and a reduction in the availability of credit. In addition, these effects would most likely cause collateral recovery rates to fall. In this environment, we also expect prepayment rates to fall as fewer refinancing options leave obligors unable to prepay finance agreements.

For this analysis we included two stress scenarios to demonstrate the rating transition of a bond (see table 7).

<table>
<thead>
<tr>
<th>Stress Scenarios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating variable</td>
</tr>
<tr>
<td>Gross loss rate (%)</td>
</tr>
<tr>
<td>Recovery rate (%)</td>
</tr>
<tr>
<td>Constant prepayment rate (%)</td>
</tr>
</tbody>
</table>

It is worth noting that our base case assumptions for each transaction are intended to be our best estimates of the possible future performance for the asset portfolio. Our approach in determining these base cases would take account of historically observed performance and an expectation of potential changes in these variables over the life of the transaction. The sensitivity of rated bonds in each transaction will differ depending on these factors, in addition to structural features of the transaction, including its reliance on excess spread, payment waterfalls, and levels of credit enhancement at closing.

For each proposed stress scenario, we separate the applied methodology into three distinct stages. In the first stage, we stress our expected base case assumptions over a one-year period to replicate deviations away from our anticipated performance over the stress horizon. We assume the stresses that we apply occur at closing, with gross losses applied based on our expectation of a cumulative default curve for the portfolio.

The second stage applies our usual rating methodology, including revising our base case assumptions at the one-year horizon to reflect the assumed deviations as a result of the stressed environment. In the final stage of the analysis we re-rate the transaction at the one-year horizon, after revising our base case assumptions and applying standard multiples and haircuts and our cash flow stresses at each rating level. The output of the analysis shows the likely rating transition of the rated notes given the applied stresses and the value and timing of any forecasted principal and interest shortfalls under the most stressful scenario.
Scenario Stress And Sensitivity Analysis

When applying scenario stresses as described above, the results of this modeling are intended to be our assessment of a simulation of what could happen to the ratings on the notes for the given transaction. For the purposes of our analysis for this transaction, we applied the two scenarios described above in our cash flow modeling. The implied base case stresses and scenario stress results are shown in tables 8 and 9.

Table 8
Scenario Stresses

<table>
<thead>
<tr>
<th>Rating variable</th>
<th>Ratings assumptions</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>’AAA’ cumulative weighted-average gross default rate (%)</td>
<td>22.93</td>
<td>21.66</td>
<td>24.99</td>
</tr>
<tr>
<td>’AAA’ cumulative weighted-average recovery rate (%)</td>
<td>7.5</td>
<td>7.58</td>
<td>5.42</td>
</tr>
<tr>
<td>’BBB’ cumulative weighted-average gross default rate (%)</td>
<td>8.92</td>
<td>10.38</td>
<td>11.98</td>
</tr>
<tr>
<td>’BBB’ cumulative weighted-average recovery rate (%)</td>
<td>12</td>
<td>9.17</td>
<td>6.55</td>
</tr>
<tr>
<td>Constant prepayment rate (%)</td>
<td>0.5/20 (24 only for personal loans)</td>
<td>7.72</td>
<td>6.44</td>
</tr>
</tbody>
</table>

Table 9
Scenario Stress Analysis—Rating Transition Results

<table>
<thead>
<tr>
<th>Scenario stress</th>
<th>Class</th>
<th>Initial rating</th>
<th>Scenario stress rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>A</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>A</td>
<td>AAA</td>
<td>AA+</td>
</tr>
<tr>
<td>Scenario 1</td>
<td>B</td>
<td>BBB</td>
<td>BB</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>B</td>
<td>BBB</td>
<td>B-</td>
</tr>
</tbody>
</table>

Table 10
Cash Flow Impact

<table>
<thead>
<tr>
<th>Class A</th>
<th>Principal shortfall</th>
<th>Interest shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Worst-case run</td>
<td>Expected loss as a % of the transaction size</td>
</tr>
<tr>
<td>Scenario 1</td>
<td>High prepay/ falling interest rate</td>
<td>0</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>High prepay/ falling interest rate</td>
<td>2.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class B</th>
<th>Principal shortfall</th>
<th>Interest shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Worst-case run</td>
<td>Expected loss as a % of the transaction size</td>
</tr>
<tr>
<td>Scenario 1</td>
<td>High prepay/ falling interest rate</td>
<td>6.8</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>High prepay/ falling interest rate</td>
<td>21.9</td>
</tr>
</tbody>
</table>

N/A—Not applicable.

Given the structure of the transaction, the more stressful scenario for our cash flow analysis is a high collateral prepayment rate with a falling interest rate environment. Given the stresses we applied under scenario 1, the class A
notes would most likely retain their 'AAA' rating, while the class B notes would most likely be lowered to 'BB'.
Under scenario 2 the rating on the class A notes would most likely be lowered to 'AA+' and the class B notes would
most likely be lowered to 'B-'. Under the more stressful cash flow run, the class A notes would incur a principal
shortfall of €2.6 million in month 73 and the class B notes would incur a principal shortfall of €21.9 million in
month 73 (after closing, assuming that revolving ends on Day 1). The principal shortfall represents a 0.33%
expected loss as a percentage of the total transaction size for class A and a 2.74% expected loss as a percentage of
the total transaction size for class B. The stability of the ratings under each scenario is enhanced by a number of
features of this transaction, including the sequential repayment mechanism, the excess spread trapping through PDL
mechanism and the cash reserve.

Where interest or principal shortfalls occur under the most senior notes, the holders of these notes and/or the
representative of noteholders can call an event of default. This could lead to multiple events, such as the senior fees
of the transaction stepping up, the swap terminating (with the issuer needing to make termination payments), and
the post-enforcement priority of payments being applied. All of these events will affect the transaction cash flows.

For the analysis above, we make a simplified assumption that the representative of the noteholders will not call an
event of default and that the swap will not terminate.

Monitoring And Surveillance

We will maintain active surveillance on the transaction until all rated notes mature or are retired. To do this, regular
servicer reports detailing the performance of the underlying collateral will be analyzed. The purpose of this
surveillance is to assess whether the transaction is performing within the bounds of the stress assumptions applied to
each rating category.

Key performance indicators will include the default rate of the portfolio at any given point in time, the delinquency
rate, the recovery rate, and the prepayment rate. We will also maintain surveillance on the ratios representing a
purchase termination event and on the excess spread level and cash reserve according to the definition contained in
the transaction documents. We will also closely monitor the supporting ratings on the transaction parties, and the
servicer's operations and its ability to maintain minimum servicing standards.

Related Research

- Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount, Feb. 26, 2004
- Methodology: Updated Counterparty Criteria For Derivatives: Eligibility Of 'A-2' Counterparties Removed In
  'AAA' Transactions, Oct. 22, 2008
- Principles-Based Rating Methodology For Global Structured Finance Securities, May 29, 2007
- European Consumer Finance Criteria, March 2000
Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

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