Publication Date: June 3, 2005

ABS Presale Report

Titri Socram

€450 Million Asset-Backed Floating-Rate Notes Compartiment TS4

Analyst: Matthieu Dillard, Paris (33) 1-4420-7340, matthieu_dillard@standardandpoors.com
Surveillance analyst: Vladimir Stupak, London (44) 20-7176-3786, vladimir_stupak@standardandpoors.com

This presale report is based on information as of June 3, 2005. 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 credit ratings that differ from the preliminary credit ratings. For further ratings information, call one of the following Standard & Poor's numbers: London Client Support Desk (44) 20-7176-7400; London Press Office Hotline (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5916; or Moscow (7) 095-783-4017. Members of the media may also contact the European Press Office via e-mail on: media_europe@standardandpoors.com. Investors are invited to call the SF Investor Hotline on (44) 20-7176-3223.

Class	Preliminary rating*	Preliminary amount (€)	Available credit support (%)	Legal final maturity
A	AAA	409,500,000	9.6	April 2012
B	BBB	40,500,000	0.6	April 2012
R	N.R.	2,000	N/A	April 2012

**The ratings on the securities are preliminary as of June 3, 2005 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 opinions, and completion of a corporate overview. Standard & Poor's ratings addresses timely interest and ultimate principal.*
N/A-Not applicable.:

Transaction Participants	
Originator	Socram
Arranger	Calyon
Seller	Socram
Servicer	Socram
Underwriters	Calyon and Société Générale
Trustee	ABC Gestion
Interest swap counterparty	Calyon
Transaction account provider	Société Générale

Supporting Ratings	
Institution/role	Ratings
Calyon as interest swap counterparty	AA-/Stable/A-1+
Société Générale as bank account provider	AA-/Stable/A-1+

Transaction Key Features	
Expected closing date	June 20, 2005
Collateral	Auto loans originated by Socram for the purchase of new and second-hand cars
Principal outstanding (Mil. €)	450
Country of origination	France
Concentration (geographical)	Three largest regions: Ile de France (16.6%), Rhones Alpes (12.1%), and Nord Pas De Calais (8.7%)
Average loan size balance (€)	8,552
Loan size range (€)	630 - 24,998
Weighted-average seasoning (months)	5.69
Weighted-average asset life remaining (months)	46.2
Weighted-average interest rate (%)	4.92
Redemption profile	Fixed installments
Cash reserve	0.6% of the notes' initial amount

Transaction Summary

Preliminary credit ratings have been assigned to the €450 million asset-backed floating-rate notes to be issued by Titri Socram, a "fonds commun de créances" (FCC, or debt unit fund), under its Compartiment TS4. The notes are backed by cash flows stemming from a pool of auto loans extended to obligors residing in France.

The preliminary ratings reflect the very good quality of the underlying assets, the presence of an experienced servicer, and the transaction's solid legal and payment structures and sound cash flow mechanics.

Other important considerations include:

- The strong protection for the class A noteholders provided by the class B notes (9.0% of the notes issued) and a reserve account (0.6% of the notes issued);
- Excess spread estimated at 1.77% annually as of June 2, 2005; and
- The ability to draw on principal collections and excess spread as sources of liquidity.

Notable Features

Compartiment TS4 is Socram's fourth securitization of auto loans under the Titri Socram program, after Compartiment TS1, which closed in June 2001; Compartiment TS2, which closed in June 2002; and Compartiment TS3, which closed in March 2004. The structure of Compartiment TS4 is largely similar to the previous transaction, but also contains the following features:

- Expected collections will be paid into a French dedicated account ("*Comptes d'affectation spéciale*"), and are therefore not subject to commingling risk.
- The commingling risk resulting from collections that cannot, for the time being, be directed into the dedicated account (prepayments and recoveries) will be covered by a special commingling reserve.
- Compartiment TS4 will issue notes, in accordance with the French law "*Loi de Sécurité Financière*" on FCCs, dated Aug. 1, 2003.

Strengths, Concerns, And Mitigating Factors

Strengths
• The quality of the underlying assets is very good, as evidenced by low historical losses. • The portfolio is static, with no substitution allowed. • The pool eligibility criteria exclude assets that are delinquent, in litigation, or subject to a freeze on payments under France's consumer overindebtedness law (Loi Neiertz and Loi Borloo). • All of the loans benefit from life and invalidity insurance. • Interest-rate risk stemming from the mismatch between the fixed-rate loans and floating-rate notes will be adequately hedged through interest-rate swap agreements.

Concerns
• The class A and B notes redeem pro rata, and class B interest is paid before class A principal. • There is no contracted backup servicer. • Calyon may be owed some termination costs if the swap terminates, even following Calyon's default. • The loans yield various rates of interest, leaving the transaction exposed to a potential reduction in excess spread if the higher yielding loans prepay.

Mitigating factors
• The class B notes and the reserve account provide adequate credit protection to the class A notes, and the notes will shift to sequential amortization under adverse circumstances. • The cash flow analysis modeled appropriate stresses with respect to a potential servicer replacement, including a stressed servicer fee. • The termination costs potentially owed to Calyon are subordinated in the priority of payments. • In the cash flow analysis, 50% of the annual prepayment was assumed to apply to the high yielding loans only, the remaining 50% applying to the whole pool pro rata.

Titri Socram (Issuer)

Titri Socram was created by ABC Gestion as a management company ("*société de gestion*") and Socram as a custodian ("*dépositaire*") under French Law No. 88-1201 of Dec. 23, 1988, as modified.

According to the above law, the Titri Socram fund may have different compartments, each issuing notes representative of separate portfolios of assets assigned to the fund. At closing, Titri Socram's fourth compartment, TS4, will purchase a pool of amortizing auto loans from Socram. The loans were made to French residents for the purchase of new and second-hand cars.

The purpose of the transaction is to raise approximately €450 million for the benefit of Socram.

Socram (Originator)

Socram is a subsidiary of 10 French mutual insurers, which together have around a 45% share of the French car insurance market. Socram's main activity is to grant car loans to the mutuals' clients. The mutuals' networks (about 2,000 sales points) supply almost all of Socram's business and represent a potential client base of around 13 million customers.

Socram's lending activity grew rapidly between 1997 and 1999, stabilized between 1999 and 2001, and then grew again from 2002, with outstanding loans reaching around €2 billion at year-end 2004. Socram plays a key role in its shareholders' strategy of developing customer loyalty and countering competition from *bancassureurs* (insurers that venture into the banking business). The cooperation between Socram and its shareholders includes the commitment of each mutual to support credit losses in excess of 0.5% on the loans originated through their networks.

Nonetheless, Socram's relationship with the mutuals limits its ability to charge market interest rates. Socram voluntarily charges its customers low interest in an already very competitive market to assist the sale of insurance contracts.

Socram's historical asset quality has been very good, with a low cost of risk and ratios of doubtful loans largely below those of other French specialized lenders in the sector. Although loan loss provisions have increased in the wake of a rise in origination levels, notably following a steep jump of lending in 1998-1999, overall asset quality has not structurally deteriorated. Socram's asset quality reflects both the traditional caution exercised by the mutuals in extending loans, and the mutuals' good knowledge and longstanding relationships with their customers. More than one-third of Socram's borrowers have belonged to one of the mutual shareholders for more than 10 years.

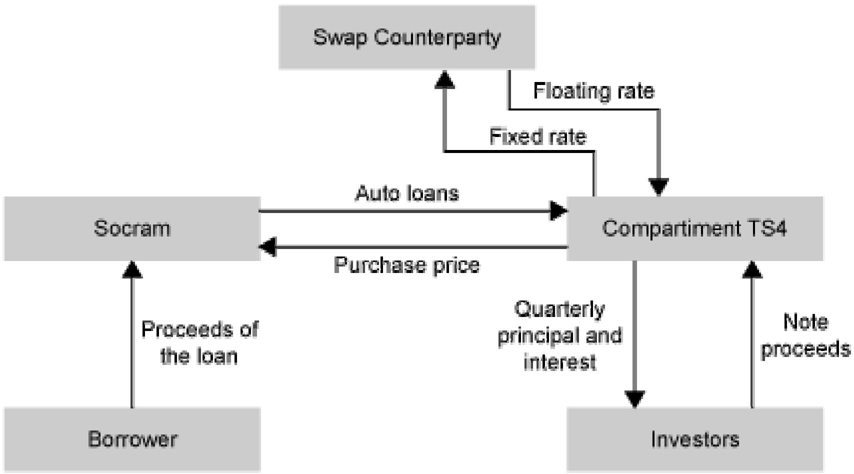
Socram fully relies on the mutuals' networks for marketing and distribution. Underwriting has been delegated for individual obligors only and under strict criteria, including maximum loan amounts of €16,000 and maximum exposure to one single obligor of €40,000. In all other cases, the underwriting decision remains with Socram, with the approval process conducted by dedicated and specialized staff. Risk policy, collections, and arrears management are also entirely under Socram's control.

In 2004, 80% of new lending was originated via a new "extranet" system that provides each mutual point of sale with real-time access to Socram's specialized credit department and database, external credit databases, and a credit-scoring model, increasing the efficiency of the underwriting process.

Transaction Structure

At closing, Titri Socram will purchase the static portfolio of auto loans using the proceeds from the issue of the senior class A notes, the class B notes, and the residual class R units. Payments under the notes will depend on cash flow generated by the auto loans, which will be assigned to Compartiment TS4 of the FCC.

Titri Socram TS4 Structure



Interest under the notes will be paid quarterly in arrears, starting in October 2005. Both the class A and B notes will pay three-month EURIBOR (four-month EURIBOR in respect of the first interest period) plus a margin to be determined. The residual units will be retained by the seller.

Amortization

The transaction structure envisages two amortization modes, "normal" and "accelerated". Under normal amortization, the class A and B notes will pay down quarterly on a pro rata basis, and the residual units will amortize only after a complete amortization of the class A and B notes. Prepayments are used to redeem only the class A notes. Collections are allocated pro rata to the class A and B notes, according to a priority of payments where class A interest, class B interest, class A principal, and class B principal are paid in succession.

In the case of events that would imply a deterioration of the creditworthiness of the assets of Compartiment TS4, principal redemption under the class A and B notes will shift irrevocably to a purely sequential basis (accelerated amortization). Under accelerated amortization, no payments are made to the residual R units until both the class A and class B notes are fully redeemed, and the class B notes are not redeemed until the class A notes are redeemed in full.

The first interest payment date will be in October 2005, with the final maturity of the class A and B notes falling in April 2012. A clean-up call option can be exercised by the management company to repay all the outstanding principal under the class A and B notes when the outstanding principal on the underlying loans is less than 10% of the original amount, or all notes are held by the same party.

Interest-rate swap

In order to hedge the interest-rate risk between the fixed-rate loans and the floating-rate notes, Titri Socram will enter into two interest-rate swap agreements with Calyon (AA-/Stable/A-1+) that are expected to conform with Standard & Poor's swap criteria. The first agreement will cover interest under the class A notes, and the second will cover interest under the class B notes. Under these agreements, the issuer will pay a fixed rate of interest on the outstanding notes on each distribution date, and, in exchange, the swap counterparty will pay a floating rate of interest on the same amount. These amounts, together with collections allocated to principal redemption, will then be distributed to the class A and B noteholders.

Credit And Liquidity

Defaults

Standard & Poor's was provided with historic portfolio data, including monthly gross loss information, covering the past 10 years.

Commingling

Borrowers pay collections directly to Socram via direct debit from their accounts on one of six collection dates, which fall on the first, fifth, 10th, 15th, 20th, and 25th day of each month. Expected collections will be credited to a French dedicated account opened at Société Générale for the benefit of the FCC.

The French dedicated account will be opened in accordance with the article L. 214-46 of the French Monetary and Financial Code and article 19 of decree no. 2004-1255 of Nov. 24, 2004. According to these texts, the servicer and the creditors or liquidators of the servicer would not have access to the amount standing to this account in case if the servicer becomes insolvent.

However, prepayments and recoveries will not be credited to this dedicated account. They will be paid into Socram's account. Five days after the end of each month, Socram will pay to the FCC the positive difference between the prepayments plus the recoveries and the arrears of the month.

Under French law, all monies held in the originator's accounts, except dedicated accounts and including amounts received on behalf of the FCC, form part of the originator's estate. Thus, if the originator becomes insolvent, the FCC will be treated as an unsecured creditor of the originator. The monies owed to the FCC as monthly adjustment but still standing to the account of Socram, would therefore be lost in the event of Socram's insolvency.

To cover this residual commingling risk, a special commingling reserve will be set up at closing, in an amount equal to the maximum positive monthly adjustment.

The stressed losses are covered by different sources of credit and liquidity, as follows:

- Firstly, for the class A notes, the subordination of the class B notes (representing 9% of notes issued) provides credit and liquidity protection.
- Secondly, a reserve account in an amount of €2.7 million (representing 0.6% of the notes issued) has been established and will act as a first level of credit support.
- Thirdly, excess spread is available as credit and liquidity support.
- Finally, a significant source of liquidity is inherent in the assets, as principal received on the loans and excess spread can be used to pay interest under the notes.

The four sources of credit and liquidity enhancement can be used to cover loan payments due but not received as a result of delinquencies and defaults. Any losses or shortfalls that arise will firstly be covered from the structure's own cash flow and excess spread, then by drawing on the reserve account.

Loan yield

As in TS3, the loans backing TS4 charge various fixed annual interest rates of 3.40%, 4.20%, 4.65%, and 5.20%, insurance excluded. This leaves the transaction exposed to a potential reduction in excess spread if the higher-yielding assets redeem early. To account for this risk, in the cash flow analysis, 50% of the annual prepayment was assumed to apply to the high yielding loans only, the remaining 50% applying to the whole pool pro rata. Most of the loan pool yields 5.2% (see table 1).

Table 1: Provisional Pool Distribution By Interest Rate*			
Loan interest rate (net of insurance component-percentage)	Percentage of loans	Percentage of outstanding principal	Average principal outstanding (€)
3.40	6.24	3.37	5,838
4.20	12.75	6.30	5,255
4.65	23.86	27.80	10,813
5.20	57.15	62.53	10,252
**As of April 2005.*			

Initial interest payment

The transaction is exposed to a mild negative carry for the initial interest payment, stemming from the fact that only around three months' worth of loan collections will be available to cover the initial four months of interest due under the notes (from June 2005 to October 2005). However, in the cash flow analysis, this difference was more than covered by excess spread. The fact that principal collections can be drawn on for liquidity purposes provides an additional level of comfort.

Collateral

The final pool will consist of approximately 53,000 auto loan contracts selected at random from a provisional pool. The purchase of the loans will include the transfer of all of Socrams's rights, title, and interest in the collateral of the loans.

The eligibility criteria require that the loans are made to private individuals and companies ("*personnes morales")* resident in France, that they have been originated in accordance with Socram's underwriting criteria, and that they will be serviced under the seller's standard procedures. In addition, none of the loans at the time of inclusion in the securitized portfolio can be in arrears, expired, or subject to a freeze on creditors under France's consumer overindebtedness law.

Loans in the pool will have a minimum outstanding maturity of 12 months, will mature no later than March 31, 2011, and charge fixed annual interest rates of 3.40%, 4.20%, 4.65%, and 5.20%, insurance excluded. The loans are structured with monthly payments, insurance included, and with a progressive amortization of principal.

As of April 2005, the cutoff date for the provisional pool, the gross weighted interest rate of loans was 4.92%, the average outstanding principal was €8,552 and the weighted-average maturity was 46.2 months. Loans benefit from ownership subrogation. A small proportion (21.3% of the provisional pool) benefits from a duly registered pledge over the vehicle. In its analysis, Standard & Poor's treated the loans as unsecured loans. All of the loans in the portfolio benefit from life and invalidity insurance.

The pool of auto loans backing the notes is static, and no substitution is allowed, save for breaches of eligibility criteria.

Table 2: Provisional Portfolio Characteristics*	
Average outstanding principal (€)	8,552
Weighted-average interest (excluding insurance, %)	4.92
Weighted-average maturity (months)	46.2
Weighted-average seasoning (months)	5.7
Final loan maturity	March 31, 2011
**As of April 2005.*	

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.

Criteria Referenced

- "*Auto Loan Criteria*" (published in 1999).
- "*European Consumer Finance Criteria*" (published in March 2000).
- "*European Legal Criteria for Structured Finance Transactions*" (published on March 23, 2005).
- "*Global Interest Rate and Currency Swaps: Calculating the Collateral Required Amount*" (published on Feb. 26, 2004).
- "*Standard & Poor's Global Interest Rate and Swap Counterparty Rating Criteria Expanded*" (published on Dec. 17, 2003).

Related Articles

- "*Ratings Transitions 2004: Upgrades Outnumber Downgrades for First Time in European Structured Finance*" (published on Jan. 17, 2005).
- "*European Auto ABS Performance Report*" (published quarterly).
- "*France Amends Securitization Law to Create New Market Opportunities*" (published on Aug. 20, 2003).

All criteria and related articles are available on RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.

Group E -Mail Address

StructuredFinanceEurope@standardandpoors.com